

# Convention Report— Communications

May 26, 1958

# RAILWAY AGE *weekly*



New horizons for tomorrow's commuter?

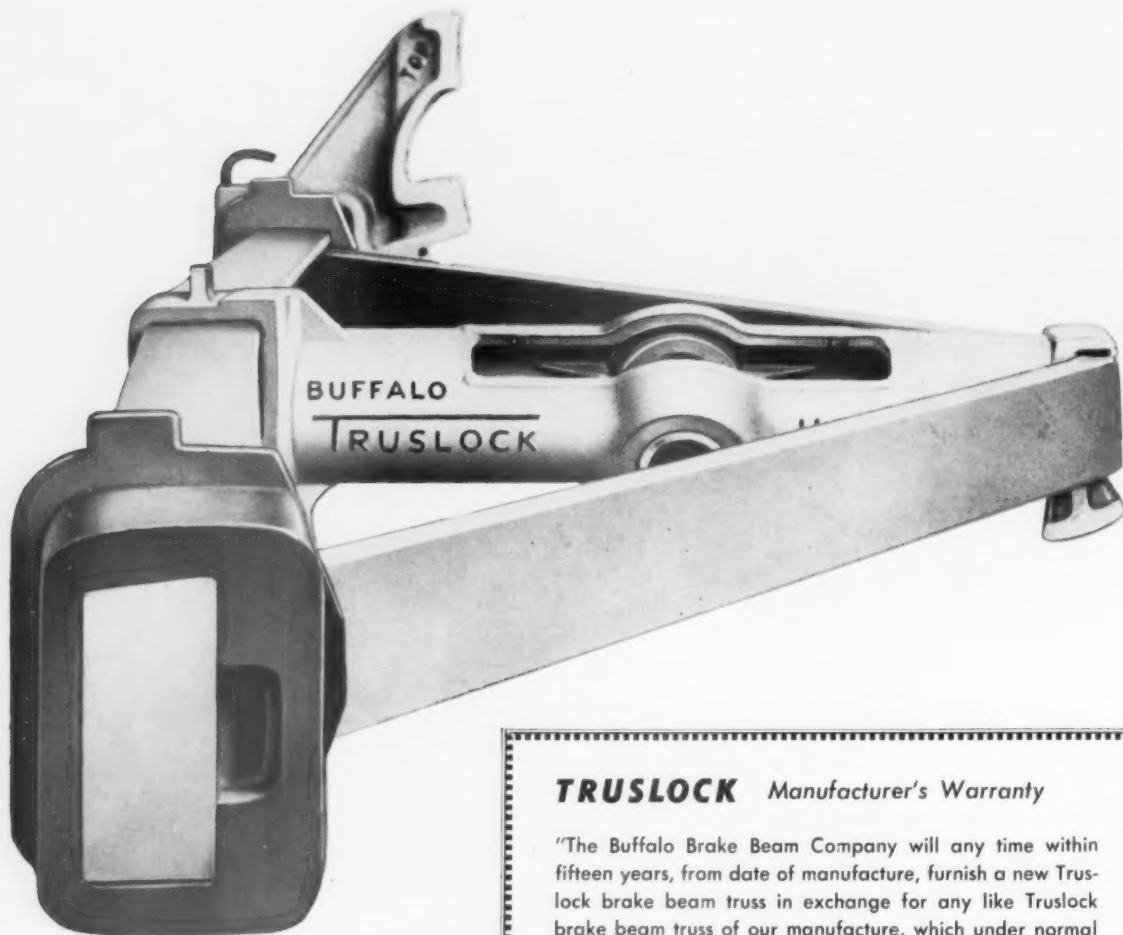
## Commuter Service

**How 3 Roads  
See Today's  
Big Headache**

MEMO TO

# ***P-A's***

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Now—more than ever—it pays to standardize on GM Diesel—available in 1485 applications of power equipment built by more than 175 manufacturers.

Parts and Service Worldwide



A "3-71" GM Diesel powers Austin-Western grader with special ditching attachment, shown at work in the Southern's Durham, North Carolina, yards.



## Week at a Glance

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### Rate proposal at second hurdle .....p. 9

The Senate Interstate and Foreign Commerce Committee is scheduled to give its verdict this week on a rate-freedom measure recommended by its Surface Transportation Subcommittee—but opposed by the ICC and highway and waterway interests.

### New Horizons for Tomorrow's Commuter?

Railroad commuter operations are a paradox: the more business booms at rush hour, the more money the railroad loses. High costs, expensive equipment, idle hours—all take their toll. For an inside look at what the problems really are, Railway Age asked officers of three large roads to write captions for a picture story on their operations. Their comments are sharp and to the point. One way out of the commuter problem was proposed last week by Stanley Berge, professor of transportation at Northwestern University. His stimulating suggestions will stir new thinking by everyone concerned with the future of American railroading.

Illinois Central .....p.14

Southern Pacific .....p.16

New Haven .....p.18

New horizons for commuter service .....p.20

### Intercity dialing saves money .....p.21

A highlight of the recent convention of the AAR Communications Section was a discussion of just how such dialing cuts costs. Four panel speakers described the workings of the dialing setups on their railroads.

### The fight for public opinion .....p.26

Readers have praised and panned the Railway Age articles comparing railroad and truck advertising. Proposals for change always involve disagreement. But time is short. Railroads, with the tide of public acceptance now running their way, must not slacken the fight.

### New setup gives ticket data fast .....p.28

Accounting operations have been speeded and costs have been cut by a new ticketing idea on the New York Central's West Shore line. The road is studying possible extension of the plan to other points on its system.

### PRR finds new way to cut costs .....p.29

The road expects to save almost \$1,000,000 by using a new ride

***Buy the BEST . . . buy JACKSON!***



**See the  
JACKSON  
TRACK  
MAINTAINER**

***See it in ACTION . . . ON A ROAD  
THAT IS NEAR YOU . . .***

Then you'll know for sure why this machine is almost universally first choice of the leading railroads for the dual purpose of production tamping and maintaining track of finest quality in ballasts of all types and in all conditions. We will be glad to tell you where the nearest machines are located. Or, if you like, we will send one of our field engineers, who is expert in track construction and maintenance, to discuss your track problems with you. Literature on request.

*Acquirement plans to suit your needs.*

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## Week at a Glance CONT.

### Current Statistics

Operating revenues, three months	
1958 .....	\$2,239,817,953
1957 .....	2,576,787,000
Operating expenses, three months	
1958 .....	\$1,873,986,983
1957 .....	2,023,252,949
Taxes, three months	
1958 .....	\$208,125,559
1957 .....	271,655,047
Net railway operating income, three months	
1958 .....	\$84,637,898
1957 .....	214,348,877
Net income estimated, three months	
1958 .....	\$30,000,000
1957 .....	162,000,000
Average price 20 railroad stocks	
May 20, 1958 .....	74.77
May 21, 1957 .....	92.36
Carloadings revenue freight	
Nineteen weeks, 1958 ..	10,148,287
Nineteen weeks, 1957 ..	12,765,208
Average daily freight car surplus	
Wk. ended May 17, 1958 ..	132,632
Wk. ended May 18, 1957 ..	17,833
Average daily freight car shortage	
Wk. ended May 17, 1958 ..	32
Wk. ended May 18, 1957 ..	711
Freight cars on order	
April 1, 1958 .....	38,027
April 1, 1957 .....	107,708
Freight cars delivered	
Three months, 1958 ....	18,441
Three months, 1957 ....	26,359

### Advertising Sales Department

Duane C. Salisbury—vice-president, director of sales

**New York** 7, N. Y., 30 Church st., WOrth 4-3060  
J. S. Vreeland—vice-president; F. T. Baker—district manager; W. E. Glasby; J. C. Lyddy

**Chicago** 3, Ill., 79 W. Monroe st., RAndolph 6-0794  
J. R. Thompson—vice-president; J. W. Crossett—district manager; J. D. Dolan—district manager

**Cleveland** 13, Ohio, Terminal Tower, MAin 1-4455  
H. H. Melville—vice-president; C. J. Fisher; H. M. Blunt

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MAdison 6-0553

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Wittelsbacher Allee 60

Georg J. Under, Continental European Representative

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stabilizing device. The stabilizers were installed in some 1,700 car sets of old style freight trucks.

### Per Diem: The battle isn't over .....p.37

Here's what a federal court had to say in upsetting ICC orders approving prevailing per diem rates. The question the court threw back to the ICC was this: Are prevailing car rental rates fair to the short-haul terminal roads?

### The Action Page—What are we after anyhow? .....p.42

What railroads need can be summed up in one phrase: The same ease in securing capital for improvements that is available for extensions to competitive facilities. The 8 legislative goals of the Smathers subcommittee are calculated to increase the inflow of new railroad capital.

### Short and Significant

#### Another setback on intrastate rates . . .

has come to the ICC and the railroads. The U.S. Supreme Court set aside a Commission order bringing Utah intrastate freight rates into line with the interstate adjustment authorized in Ex Parte 175. In sending the case back, the court held that the Commission order lacks adequate supporting evidence, including evidence as to comparative costs of intrastate and interstate operations.

#### A "cushion sliding underframe" for box cars . . .

is undergoing final tests at Santa Fe's Topeka shops. Watch for a public announcement of it. Santa Fe thinks it may be superior to any comparable device presently in service.

#### 'Kill the Umpire'

That's the label the American Trucking Associations has put on a newspaper ad against the Smathers program. Specifically, ATA opposes railroad rate freedom, claiming only trivial losses result from rate proposals rejected by ICC. This is like saying the income tax is no burden because so few people are caught trying to evade it.

#### The refund was \$875,922 . . .

the interest amounted to \$671,098, the check totaled \$1,547,020. The Chicago Great Western got it—in settlement of litigation in the U.S. Court of Claims. The case involved the carrier's claim for refund of part of its federal income taxes for the period 1942-45.

#### First combined rail-water freight service . . .

ever negotiated by a railroad and lake carrier has been started by the Chicago & Eastern Illinois and the Gartland Steamship Company. C&EI President David O. Mathews said the rail and water rate will save about 45 cents a ton on coal shipments from Illinois and Indiana to Great Lakes ports.



HOW SOLID BEARINGS AND JOURNAL STOPS HELP KEEP RAILROADS OUT OF THE RED

*It's a fact...*

that MAGNUS R-S JOURNAL STOPS  
can cut total hot-box costs  
to less than  
1 cent per car per day!



*Operating experience with more than  
5,000 freight cars proves that Solid  
Bearings and Journal Stops are the  
low-cost solution to the hot-box problem*

Railroads using low-cost solid bearings and R-S Journal Stops today average over 6,000,000 car miles per hot box. Conservatively, new users of R-S Journal Stops can increase hot box mileage 10 times — can cut hot box costs to a tenth of current costs on similar cars in similar service. That means less than  $\frac{1}{3}$  cent per car per day to cover all costs associated with bearing road failures.\*

That's just one of the facts about R-S Journal Stops, proved now on over 5000 cars in service. Essentially, they stabilize the bearing assembly, help provide uniform, uninterrupted oil film lubrication, give the solid bearing a chance to work at optimum efficiency.

Results: you double bearing life, reduce wheel flange wear, cut necessary service attention, prevent dust guard damage — in short, save on truck maintenance all along the line. This reduced maintenance alone will save you enough to pay for the Stops in 3 years.

And with R-S Journal Stops, you still have all the other advantages which low-cost solid bearings bring to railroad rolling stock. You can take the maximum load, make the fastest schedule. Lading gets the smoothest ride. You save excess dead weight and get lowest possible running resistance in pounds per ton. Best of all, you'll be sure of the kind of bearing performance you want at a price you can afford to pay. Write us for all the facts. Magnus Metal Corporation, 111 Broadway, New York 6, New York; or 80 E. Jackson Blvd., Chicago 4, Illinois.

\*Cost based on data compiled by the Mechanical Division of the Association of American Railroads in 1955.

**MAGNUS**  
**Solid Bearings**



*Right for Railroads  
...in performance...in cost*

**MAGNUS METAL CORPORATION** *Subsidiary of* **NATIONAL LEAD COMPANY**



# Rate Proposal at Second Hurdle

Senate Interstate and Foreign Commerce Committee due to vote this week on controversial recommendation of Surface Transportation Subcommittee to lift "rate umbrella." It's opposed by the ICC.

The Senate Committee on Interstate and Foreign Commerce was scheduled to vote this week on the rate-freedom proposal of its Surface Transportation Subcommittee which investigated the "deteriorating railroad situation."

The committee also had before it language suggested by the Interstate Commerce Commission for additions to the Interstate Commerce Act's rate-making rules—if the rules are to be amended. The Commission still recommends that no change be made, holding that the present law is adequate to assure rates reflecting inherent advantages of the various modes of transport.

The first reaction of one informed railroader to the Commission's proposal was that it would "legalize what they are doing now," i.e., as the railroads say, considering the effect of proposed rates on a competing mode of transportation. A wag speculated that acceptance of the Commission's advice by the committee might produce unanimity in that all interests would oppose amending the rate-making rules in that way.

The parent committee vote scheduled for this week resulted from public hearings held last week on the subcommittee's rate-freedom proposal. The hearings were ordered on that proposal only, the parent committee being in general agreement with several other recommendations made by the subcommittee, which is headed by Senator Smathers of Florida.

The subcommittee's rate-freedom proposal would add to the act's Railroad Rate-Making Rule, Section 15A, this new paragraph:

"In a proceeding involving competition with another mode of transportation, the Commission, in determining whether a rail rate is lower than a reasonable minimum rate, shall consider the facts and circumstances attending the movement of the traffic by railroad and not by such other mode."

The ICC suggestion is that the new provisions, if there are to be any, be applicable to rate-making for all carriers and that they read as follows:

"In a proceeding involving competition between modes of transportation, the commission, in determining whether a proposed rate is lower than a reasonable minimum rate, shall consider the facts and

circumstances attending the movement of traffic. Rates of a carrier shall not be held to a particular level to protect the traffic of a less economic carrier, giving due consideration to the inherent cost and service advantage of the respective carriers."

When first made by Chairman Freas, this Commission suggestion was on an intra-mode as well as inter-mode basis. When Senator Smathers pointed out that the intra-mode phase raised new issues and might be opposed by the railroads, Chairman Freas went into a huddle with other members of the Commission's legislative committee—Commissioners Arpaia and Minor. He then came up with the foregoing version. Where it refers to competition between "modes of transportation," the original version had referred to competition between "carriers."

The second sentence, Mr. Freas said,

would make it clear that Congress did not intend to have the Commission "hold an umbrella" over any mode of transportation. Meanwhile, the ICC chairman denied that the Commission has been doing that.

He said it has been trying to carry out the national transportation policy to foster sound conditions in transportation. As he also put it, the Commission is not worried about the effect of a proposed rate on a competitor unless the proposal would launch a "destructive competitive practice."

A record as to the intent of Congress when it enacted the present rate-making rules was made at the hearings by former Senator Burton K. Wheeler of Montana, who was chairman of the committee when the Transportation Act of 1940 was passed. The former Senator said it was



**Fast New Filly in the SNCF Stable**

Latest in France's stable of high speed electric locomotives is the BB9202. Weighing in at only 78 tons, this powerful engine has an in-service speed of 100 mph and over 5,000-hp. This is

the production series of the BB9000 prototype engine which, with another French locomotive, shares the world's rail speed record of 206 mph. The BB9200's will haul heavy trains.

the purpose to "make abundantly clear that in fixing rates the inherent advantage of each mode of transportation was to be preserved." And he was "astonished to hear a few years ago that the Commission had not consistently adhered to this policy."

In view of that situation, Mr. Wheeler had this advice for the committee: "If you want to continue the policy intended by Congress in enacting the Transportation Act of 1940 . . . you should write clear and unmistakable language into the Interstate Commerce Act itself. Words in a report or on the floor of the Senate will not insure the carrying out of your purpose."

**The railroad industry's position in support of the subcommittee's proposal was stated by Jervis Langdon, Jr., general**

**counsel of the Baltimore & Ohio, who appeared for the Association of American Railroads.**

First he discussed contentions to the effect that the rate-freedom issue is not important because relatively few railroad tariffs are suspended.

What the railroads are complaining about is important, Mr. Langdon argued. It's the test of rate-making. Many rate proposals, he said, are tailored to meet that test and thus avoid suspension. He agreed with Senator Smathers' suggestion that this meant railroad rates, in such cases, did not reflect fully the inherent advantages of rail transportation.

Speaking for himself, Mr. Langdon said he was a "rebel" on that issue. He thinks the railroads should go to the Commission with rates reflecting their inherent

advantages and "fight it out." Adding up the number of tariffs suspended under present conditions doesn't point up the problem, Mr. Langdon also said.

He added that, in his opinion, the existence of the test has deadened railroad initiative in such matters as cost research. He has a feeling railroads are less effective competitors because they have been thus dulled. He concedes that this might be their own fault—"But it's there."

**In today's competition, the question of whether a rate is compensatory can be the only consideration, Mr. Langdon said. And compensatory means to him a rate that covers long-term out-of-pocket costs and makes a contribution to constant expenses.**

The latter, he added, are not costs in the sense that they can be assigned to particular traffic. As he sees it, the objective is to get each class of traffic to make the largest possible contribution. He thinks fully-distributed costs have no meaning in rate-making, because they can be changed radically by changing apportionment of constant expenses.

Mr. Langdon thinks that the subcommittee's proposal would have the same result as the "shall-nots" recommendation whereby President Eisenhower's Cabinet Committee on Transport Policy originally proposed to end the ICC's fair-share-of-the-traffic approach to competitive rate cases. The Administration has since abandoned the "shall-nots" in favor of a substitute proposal which has not yet been spelled out.

Support for the subcommittee's proposal also came from the National Industrial Traffic League and the Railway Labor Executives Association. For the NIT League, its president, Grant Arnold, supported the proposal as legislation which would "put a stop to decisions of the ICC and the courts by which the government holds a rate umbrella over a high-cost transport agency by refusing to allow another form to make rates as low as the conditions of that agency justify."

For RLEA, its chairman, George Leighty, said the railroad unions don't want other transport agencies run out of business, but they think there should be no requirement that railroads overprice their products to keep competitors in business. Referring to opposition testimony offered on behalf of unions representing truck and water-carrier employees, Mr. Leighty said they were talking about "possible effects." He was talking about "real effects in unemployment of railroadmen."

Opposition presentations were also made on behalf of American Trucking Associations, American Waterways Operators, and Inland Waterways Common Carriers Association.

For ATA, James F. Pinkney, its general counsel, drew a six-count indictment against the subcommittee's proposal. He said it would: make the Commission helpless to prevent practices by carriers which could be stopped by the anti-trust laws

*(Continued on page 39)*

## Watching Washington *with Walter Taft*

● **HISTORICAL FOOTNOTE** is now in the record of the Senate Interstate Commerce Committee's hearings on proposed legislation to alleviate the "deteriorating railroad situation." It was put there by former Senator Wheeler of Montana, who was chairman of the committee when the Transportation Act of 1940 was enacted.

**OPPOSITION** to the presently proposed legislation prompted Mr. Wheeler to reveal that he sponsored the 1940 act at the request of former President Roosevelt; and that there was vigorous opposition from various interests, including members of the Roosevelt cabinet. The former senator said he called the President on the telephone, threatening to "throw the bill into the waste basket" unless the opposition of executive departments ended.

**PRESIDENT ROOSEVELT** told the cabinet members to lay off, and they did, Mr. Wheeler added. Whereupon Senator Smathers of Florida observed that "we don't have that happy situation today." Mr. Smathers is chairman of the Interstate Commerce Committee's Surface Transportation Subcommittee which became sponsor of the presently proposed legislation after investigating the railroads' plight.

**THE RATE-FREEDOM PROPOSAL** of the subcommittee was under consideration at the hearing. Mr. Wheeler's testimony was offered to show what had been the intent of Congress when it wrote the Interstate Commerce Act's present declaration of policy and rate-making rules. He recalled that the intent was to keep the ICC consistent in following a policy of appraising carrier rates without reference to their potential effect on competing modes of transport.

● **CHECK IS COMING** on the Commission's resort, in rate cases, to the Act's declaration of policy. The Subcommittee on Legislative Oversight of the House Interstate Commerce Committee will conduct a thorough inquiry into the matter. That's the plan of the parent committee's chairman, Representative Harris of Arkansas, who also heads the subcommittee.

**ICC USE OF THE POLICY** to "legislate" new rate-making concepts was admitted and defended by Commission Chairman Freas when Mr. Harris questioned him at a recent hearing. Mr. Harris remained unconvinced that Congress intended to have the commission turn to the policy as a basis for decisions lacking specific support in other provisions of the act.



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800 new 70-ton pulpwood cars with Commonwealth cast steel underframes and upright ends...recently delivered to the Atlantic Coast Line by A.C.F.



Commonwealth cast steel underframe and interlocking upright ends simplify pulpwood car construction; provide greater strength, permit easier loading, maximum capacity.

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Advanced engineering and production techniques developed through its pioneering have made General Steel a unique supplier to today's railroads. Its Commonwealth one-piece products . . . for freight cars, passenger cars and locomotives . . . utilize cast steel's great strength at minimum weight, exceptional ruggedness and freedom from maintenance to cut operating expenses for users throughout the world.

Plan wisely for the future . . . invest in Commonwealth products.

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## On the Norfolk and Western

**1,968 Cars readied for Tobacco, Flour, Paper, Feed, Grain  
loading with *ADM Freight Liner 810***

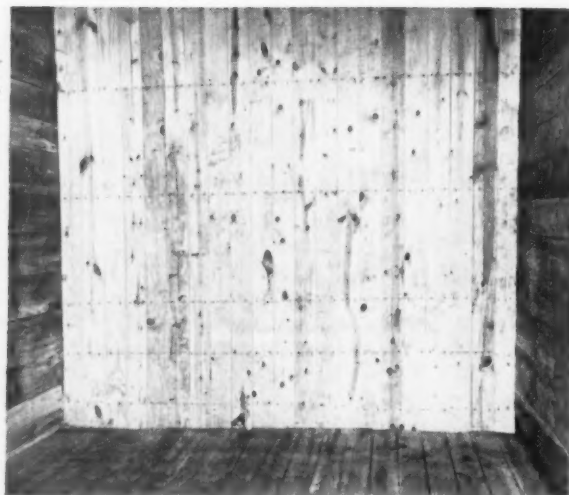
● The Norfolk and Western Railway Company began cooping cars with Freight Liner 810 two years ago. The ADM system was found so satisfactory that the line has since Freight-Lined 1,968 cars for shipment of such commodities as paper, flour, tobacco, feed and grain. Today, the N & W uses ADM Freight Liner 810 at five points along its line.

Like so many roads, the Norfolk and Western finds Freight Liner ideal when sealed, smooth interiors are a must. The plastic-and-fiberglass treatment seals rough or broken walls and corners with a smooth, tough surface that is moisture-proof and easy to clean. Of special interest is its ability to seal grease and oil stains, allowing cars to be used for easily-contaminated loadings.

The Pure Food and Drug Administration approves ADM Freight Liner 810 for shipment and storage of foodstuffs.

Freight Liner is popular for other reasons, too. Railroads appreciate its economy, versatility, and ease of application. With a little practice, two men can repair 30 cars a day, patching, relining, and resurfacing. And in most cases, cars can be loaded within three hours after relining.

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Here is before-and-after evidence of the results you get with ADM Freight Liner 810 in boxcars.



Finished job dries in minutes, provides a smooth, tight interior with top-notch sanitary protection.

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ADM PRODUCTS: Linseed, Soybean and Marine Oils, Paint Vehicles, Synthetic and Natural Resins, Fatty Acids and Alcohols, Vinyl Plasticizers, Hydrogenated Glycerides, Sperm Oil, Foundry Binders, Bentonite, Industrial Cereals, Vegetable Proteins, Wheat Flour, Dehydrated Alfalfa, Livestock and Poultry Feeds, Olefins and Hydrocarbons.



# Current OPERATING DEPARTMENT Questions

## More about profitable 'Plan 1' rates trucks can't resist

In our April 21 issue we carried a proposal for such profitable rates. Basically, it called for equality of plan 1 and plan 2 rates at a level slightly below present plan 2 rates (i.e. lower than the straight truck rate). This, it was said, would encourage the trucker to give the railroad other than his "overflow" business. At the same time the truck rate,

where piggyback was used, would be published in a tariff. The rate would be the same as the railroads' plan 2 rates. Shippers then would be encouraged to specify piggyback rather than over-the-highway movement.

We published one comment on this proposal in the May 5 issue (p. 12). Here are two more.

### Basic principle is good but the details are wrong

"I am both elated and depressed at the proposal made on page 13 of the April 21 Railway Age.

"The proposal to place rail piggyback rates a shade below the truck rate is absolutely correct. I would like to see more of this type of pricing done by railroads, wherever their variable costs are below truck costs. In the example you present, railroads stand to lose \$10 on each trailer now handled. However, each additional trailer of new traffic generated by the rate reduction provides \$82 additional contribution towards the overhead cost of operation (Revenue of \$122 less \$40 cost). Thus, if a road at present was moving 8 trailers per day, and picked up only one additional trailer through the rate reduction it would be \$2 ahead.

"The proposal to provide a division with trucks is correct in principle, but the example is wrong. In your example, railroads would receive revenue of \$45, incur costs of \$40 and have \$5 as contribution. This compensation would be for a trailer on which railroads could have earned an \$82 contribution if they had solicited it. At this rate, railroads would have to obtain 16.4 trailers from truckers to equal the contribution of one trailer solicited by themselves. To make matters worse, the truckers' net after cost would rise from \$72 to \$77 for doing less work. I think the answer is in more intensive solicitation by railroads.

"Unfortunately, the cost data you supplied is quite nebulous. The best way to solve this problem is for each road to (1)

compute the variable cost attached to handling a trailer piggyback, and the contribution above variable cost; (2) set a rate below truck rate; (3) compute loss on existing traffic because of rate reduction; (4) divide loss as determined in (3) by contribution per trailer at the reduced rate. The result will be the number of new trailers which will have to be obtained to offset the rate reduction. If this number of trailers is clearly attainable, the rate reduction is wise.

"Such calculations will show how railroads can pass on to the public parts of the savings of fuller utilization of their inherently high fixed costs and plant, while enhancing their net income."

*Walter B. Wright, financial analyst  
Chesapeake & Ohio*

### Base prices on costs and a percentage mark up

"It doesn't seem feasible to combine different modes of transportation. Because of competitive spirit, the inherent cost characteristics of the separate carriers ultimately dictates the common sense logic of so doing. What is implied is this: the carriers as a group cannot select a larger pie, but the pieces they do get can taste better because integration based on lower costs results in more net profit. **COSTS** should be the subject of discussion here rather than the end result of lower charges.

"Lower transportation **COSTS** will influence and may result in a lower level of charges, but the relative level of charges made by railroads or the motor common carriers is a resultant and not a basis of approach to the problem of increasing traffic

"This one-man's opinion of the immediate steps to take for a good slice of pie is:

1. Plan-2 railroads should agree on a cost formula.
2. Then agree on a mark-up percentage

relating this to the existing level of carload rates so as not to attract old business into a new service.

3. Seek ICC approval to offer plan-2 service at level of rates resulting from (1) and (2) above.
4. Plan-1 railroads should study motor common carrier costs of terminal-to-terminal operations predicated on highway mileage.
5. Establish division-of-revenue charges equivalent to the motor carrier's terminal-to-terminal costs. Motor carrier will use plan 1 to save his capital investment in tractor power.
6. Periodic cost studies of both motor carrier and rail operations should be discussed between all parties concerned before division-of-revenue level is changed.
7. Provide through service with all connections at passenger-train schedules on plan-2 traffic. Plan-1 business will

fall into these trains automatically.

"A selling price is based on cost. A cost formula must be acceptable to all participating lines. After an agreed mark-up is applied, the resulting charge for this service will seek its own level."

*C. P. Tomm, manager-piggyback operations, Boston & Maine*

CONDUCTED by G. C. RANDALL, district manager, Car Service Division (ret.), Association of American Railroads, this column runs in frequent weekly issues of this paper, and is devoted to authoritative answers to questions on transportation department matters. Questions on subjects concerning other departments will not be considered unless they have a direct bearing on transportation functions. Readers are invited to submit questions, and, when so inclined, letters agreeing or disagreeing with our answers. Communications should be addressed to Question and Answer Editor, Railway Age, 30 Church Street, New York 7.

## Commuter Service: IC



### THE DAY'S WORK...

"A study in contrast. Rush hour volume of commuters fills platforms, while famine of off-hour riders is emphasized by lone

commuter (right), awaiting train. The lonesome commuter has little to distract him as he rides a noon-day train."



### BUSTLE AND BUST...

"Illinois Central's downtown Chicago stations are a beehive of activity during afternoon rush hours as commuters rush through gates which will take them to home and family. During mid-day hours, however, gatemen await customers in empty stations."



## This tremendous plant stands idle 20 hours a day

For an inside look at the commuter puzzle, Railway Age went to executives of three large roads. These men are intimately involved with commuter service in the Midwest, Far West and East Coast. We asked them to write their own captions for a picture story of their operations.

The resulting story presents a paradox. This is a booming business, yet losses grow bigger every day. Here's the reason why, as the railroad men in charge of the operation see it.

On these pages, Wayne Johnston, president of the Illinois Central, shows what's happening in Chicago. Following pages tell the SP story in the San Francisco Bay area and the New Haven's dilemma in New York's wealthy suburbs. Each man tells the story as his line sees it — not necessarily as a spokesman for the industry at large.



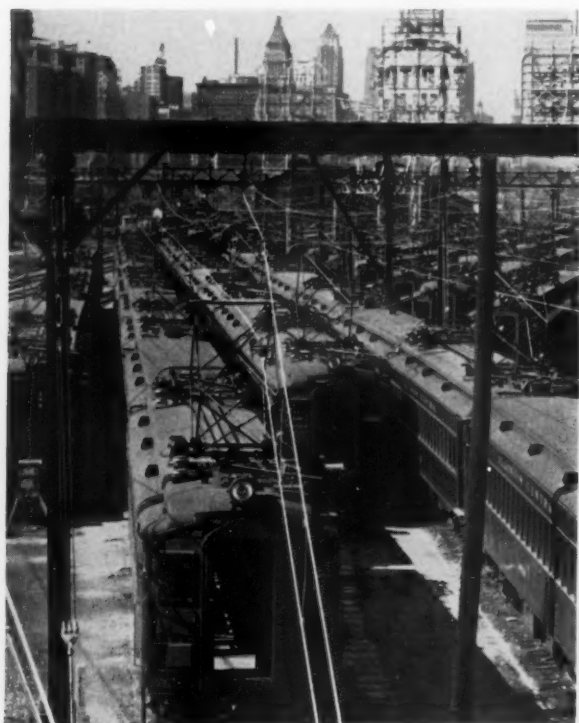
Wayne A. Johnston



### CAN'T MAKE MONEY...

"Why commuter service can't make money. The pattern of suburban living has almost dried up other than rush hour

traffic. Illinois Central commuter losses since 1947 total approximately \$5 million."



### IDLE CARS DON'T EARN...

"A tremendous plant must be maintained solely to move commuters between home and work—millions invested in



equipment which stands idle nearly 20 hours each day earns nothing for railroads providing service."

***The problem in the West ►***

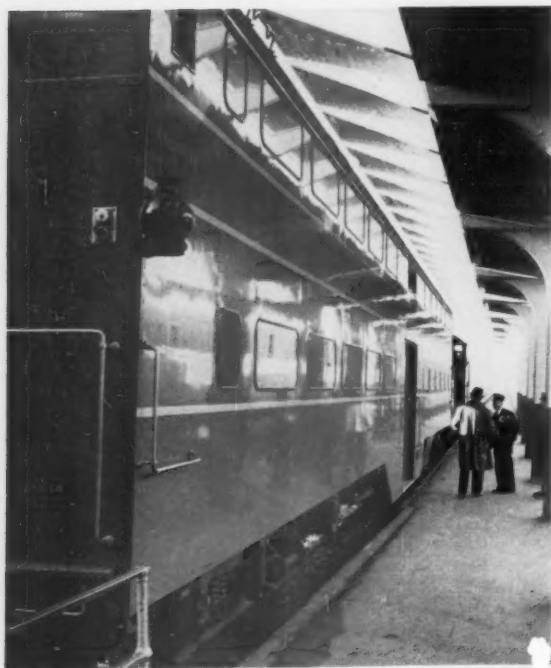


## Commuter Service: SP

### DEADTIME . . .

"The major difficulty is that cars spend most of the day and night idle in the yards. A commute car would have to run for

nine years to get the same mileage as a chair car on, say, the Shasta Daylight, in a single year."



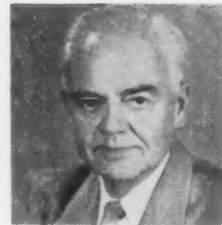
### NO OFF-PEAK NEED . . .

"Off-peak traffic has been reduced to a trickle. Trains generally have but a single coach, one-third occupied. Most passengers get off before reaching our San Jose terminal."

## 'Off-peak traffic has now dropped to a mere trickle'

Mr. Peterson, vice-president, system passenger traffic public relations for the Southern Pacific, commented on his commuter business in general:

"Certainly, it's widely understood and accepted that railroad commute services are no producers of profits. But it's a service that has to be performed. People require it, and they use it."

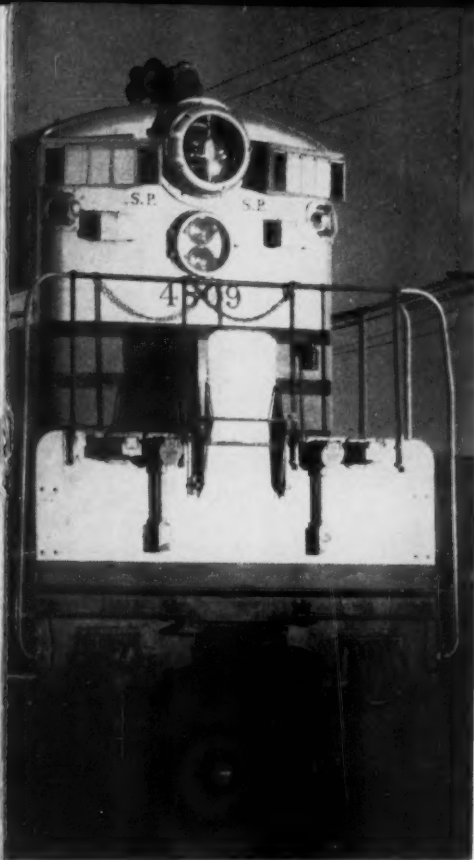


Claude E. Peterson

"Spectacular urbanization of the San Francisco Peninsula, coupled with the Californian's well-publicized attraction to the automobile, has compounded our commuter problems. Population is up almost 100 per cent since 1946. Our commute loadings went up a mere 10 per cent, and they are now slipping."

"Those who drive are finding it more and more convenient, thanks to State highway building programs supported at public expense."





#### INCREASED CAPACITY . . .

"The cost of this little utilized equipment is tremendous. The 31 double-deck commute cars cost us \$5 million. Our fleet of 25 diesels used in commute service cost over \$5.5 million."



#### FREEWAY RUSH . . .

"We took some traffic counts before and after the opening of a new section of freeway out of the city. The new stretch was an over-water shortcut around a congested commercial and

industrial district. Almost immediately we lost 1,000 commuters to the automobile."

***The problem in the East ►***



## Commuter Service: NH

### MOST EFFICIENT WAY . . .

"It is an outright physical impossibility to provide space in the center of town for all who must come in, if they come by car. Downtown congestion can be eased only by making it possible for people to come in without cars.

"A two-track commuter rail line, occupying no more space than an ordinary city street, can carry at least five times as many people per hour as a four-lane super-highway—and there are no cars to be parked on arrival."

### PROFIT IMPOSSIBLE . . .

"There may have been a time in the past when commuter service could have been operated at a profit, or at least not far in the red. This is now completely impossible at fares the public can reasonably be expected to pay. (Commuter service is a rush hour business.) Much of our equipment can be used only four hours a day—two in the morning and two in the evening—five days a week; 20 hours a week in all. Furthermore, we are required to pay our employees for a full week's work and in many instances overtime. We can no more break even under such circumstances than can a factory filled with expensive machinery that is able to operate but two and one-half days a week."



### WHAT COST SERVICE . . .

"If all rail commuting services into New York were shut down, the cost for additional highways and parking facilities would be astronomical. And the same is true of Boston, Philadelphia, Chicago and other cities. Its effect on commerce would be disastrous—something like the

## 'Suburban rail

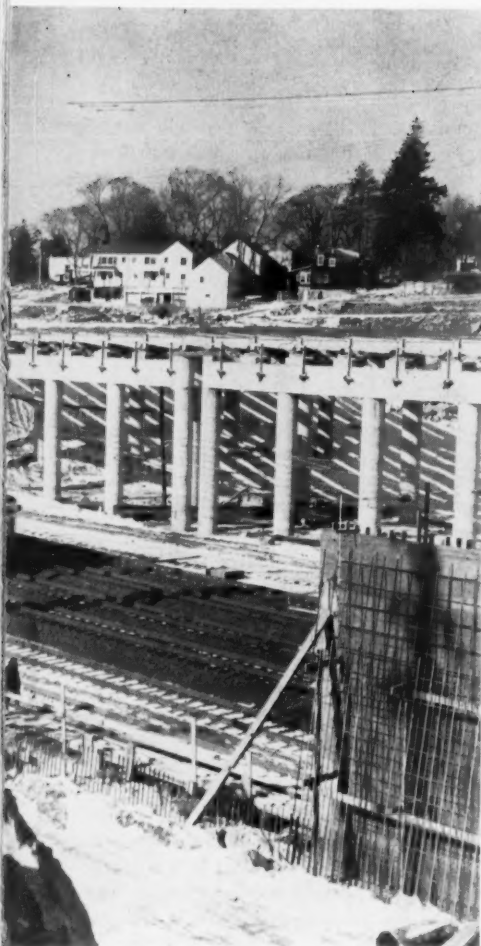
Mr. Alpert, chairman of the board of directors and president of the New Haven, made these further points:

"There is ample precedent for extending public assistance to the suburban rail lines. Historically, no form of transportation has ever been developed or operated in the United States wholly free of public assistance. The railroads alone have come close to this ideal. Land grants were made for only 8 per cent of the total track

mileage—and the Federal government was more than repaid for the grants by reduced rates on government freight through many decades.



George Alpert



formation of a clot in the main artery of our economic life. Sums involved to save rail service would be modest in comparison with what we are being forced to spend for new highways."



#### WHAT IS NEEDED . . .

"Tax relief would help, but costs have actually long since passed the point where tax relief alone can meet the deficits.

"Direct financial assistance to the commuter railroads is necessary. This might be effected through an operating subsidy of specified amount in return for specified services at specified fares low enough to make rail commutation attractive to the public.

"Similarly, public funds should be used for necessary new equipment and facilities, which could then be leased to the railroads on terms permitting economical commuter service."

## service requires public assistance'

"In the canal-building era, canals were provided by government, and the development and maintenance of waterways continues to be supported by the Federal government on a robust scale to this day. In addition, as provided by the Merchant Marine Act of 1936, ship construction is aided by the Federal government, and steamship companies serving essentially U.S.-foreign trade routes receive an operating subsidy.

"The airlines have been the beneficiaries both of substantial operating subsidies and of Federal and local government construction of airport and airway facilities. At present, most of the major airlines are able to operate without the direct subsidies authorized by the Civil Aeronautics Act of 1938. But the subsidies were indispensable for many years, and the airlines continue to require and to receive a vast indirect subsidy in the form of free use of radio navigation aids costing hundreds of

millions of dollars to erect and operate, and in the form of airport charges far below [the cost of] the terminal facilities themselves. Likewise, government funds invested in highways far outweigh the license and motor fuel taxes paid by trucking companies and passenger cars using the highways.

"Under the circumstances, it is hardly surprising that suburban rail service should require public assistance. It is also urgent and proper that such assistance be extended, to avoid the chaos and increased congestion that would ensue from wholesale curtailment of rail commutation service."

**One way out: ►**



# New Horizons for Commuter Service

*Everyone agrees that commuter service is a problem. Although it represents a major financial drain on the railroads unfortunate enough to be stuck with it, it also represents a vitally needed service to the urban areas lucky enough to have it. Under the present setup, railroads are in effect subsidizing the cities. After decades of indifference, the cities are reluctantly beginning to admit that this creates a prob-*

*lem for the railroads. The difficulty is that, so far, no one has been able to present a solution acceptable to all interested parties.*

*Here's a new proposal, put forth by Stanley Berge, professor of transportation at Northwestern University. Professor Berge revealed his ideas at a meeting of civic officials and railroad leaders in Philadelphia, May 21.*

"The time has come when railroad suburban commuter trains, which have traditionally gone to the metropolitan center, must be permitted to go through the center. Instead of individual railroads operating suburban commuter trains into deadend terminals, present-day conditions call for an integrated through system of suburban main lines in each metropolitan area . . . facilitating fast, frequent train service between the suburbs and a series of convenient through stations or platform stops in the downtown area.



Stanley Berge

"A through station track can handle at least four times as many trains per hour as a stub-end terminal track. This is simply the result of eliminating many time-consuming back-up and turn-around movements. Use of double-end, multiple-unit trains in place of locomotive-propelled trains multiplies the effectiveness of through track. Finally, it is necessary to locate station stops in such fashion that high-speed runs may be made available to the greatest number of passengers. This, of course, can be accomplished best by a well-coordinated regional transportation system utilizing each type of carrier to best advantage, all to the end of providing the commuter with the fastest safe, most comfortable continuous ride from door to door that can be devised. . .

## Coordinated Transport

"We come next to the principle of superimposed coordinated transport networks, i.e., that faster better travel may be accomplished by coordinating the services of several networks rather than by utilizing any single network. In other words, the traveler does not insist on riding from door to door on a single seat

in a single vehicle. What he wants is the fastest, most comfortable ride from door to door with a minimum of transfer delays en route. . .

"Transportation is a dynamic force. One of its effects is the creation of land values through developing higher uses of land. . . It seems to me that the trouble with much of our metropolitan transportation planning is that it is based on the erroneous hypothesis that transport should be developed to serve existing land use patterns. We would do better if we kept foremost in mind that economic, social and recreational development of land will follow good equipment on a good schedule over a good route. Transportation improvements can be financed most economically by capitalizing on the future land values which transport improvements invariably create.

"Whereas private enterprise is ordinarily undertaken to turn opportunity into profit, public enterprise usually is undertaken to solve a problem. In the case of metropolitan transportation we seem to have passed the stage where opportunity can be turned to profit and clearly have reached the stage where a problem must be solved.

"The problem is simply that we have carried down through the years a pattern of laws, regulations and traditions which literally has destroyed the profit possibilities of public transport, at least insofar as rapid transit and suburban commuter lines are concerned. Hence, I feel we are at the point where each metropolitan community should establish a metropolitan transportation district to plan, finance and administer the coordinated operation of a metropolitan transport system.

## Metropolitan Districts

"At first the district might perhaps confine its efforts to transit and suburban railway services. Later, highways, airports, harbor and waterway facilities might be incorporated. The district would not necessarily operate transportation facilities;

quite possibly better results might be obtained by contracting operations to specialized privately managed operating companies. . .

"The metropolitan transportation district should be free of federal income tax and should be exempt from state imposts on general property, income, revenues, etc. The district could raise initial capital through the proceeds of a limited tax on district real estate. Revenue bond financing, however, should provide for major works in the long run, for the principle of self-support should not be abandoned as a long-term objective. This is the policy now, in the case of many independent public authorities which have been created by state legislatures to finance and operate certain types of public works such as buildings, bridges, tunnels, toll roads, etc.—which eventually become self-sustaining. . .

## Lease and Contract Facilities

"How then can we facilitate the optimum combination of public and private enterprise in this venture? My present view is that it is unnecessary for the public agency to acquire title to the many properties which must be included in a comprehensive metropolitan transport system. The capital requirements of transfer in fee simple would be infinitely greater than would be needed if some other means could be found for accomplishing the same objective. With due regard for possible constitutional difficulties in the several states, I believe a lease or similar contractual arrangement may accomplish the transfer of properties to the public agency with better effect than transfer of title . . . It is encouraging to note that positive steps along these lines have been taken in several metropolitan areas . . .

## Benefits to Non-Metropolitan Areas

"Lest all we have said in the foregoing should appear to ignore the interests of persons living outside metropolitan areas, it should be pointed out that non-metropolitan people have a real stake in the solution of the metropolitan transportation problem. Since the rush-hour carrying capacity of electric railways is 20 times that of automobiles on limited access freeways, it is clear that every dollar spent on metropolitan electric railway rights of way releases 19 highway dollars for highway improvements outside metropolitan rush-hour routes. . . Why not build a transportation plant 20 times as efficient as freeways to take care of rush-hour peak demands?"





*This panel of experts told the meeting why . . .*

## Intercity Dialing Saves Money

How such systems work to cut costs is discussed at convention of AAR Communications Section. Suggested operating procedures for forthcoming changes to split-channel radio also were outlined at the meeting.

Saving time and money are subjects of constant interest to railroad managements. One method of achieving that desirable goal highlighted the recent Kansas City convention of the AAR Communications Section.

The method—long-distance direct dialing telephone service including use of automatic telephone exchanges without operators—was discussed by a four-man panel. Panel members were A. E. DeMattei, superintendent of communications, Southern Pacific (moderator); D. C. Hill, superintendent of communications, Northern Pacific; J. E. O'Brien, assistant chief engineer, communications department, Canadian National; and N. L. Altland, assistant chief engineer communications, Atlantic Coast Line. Here is a summary of the panel's remarks:

**D. C. Hill, NP:** Our management is sold on dial telephone operation. We have cross-country dialing in service between St. Paul, Seattle and Tacoma, Wash. Advantages of dialing include much faster communications, better service to employees and to customers. As the railroad has only transportation to sell, dial telephone operations help the railroad compete with other forms of transportation.

It is a big time and money saver for the railroad. Dial operation can help the passenger traffic department consolidate ticket and space reservation offices. Agents and ticket clerks are able to dial directly to these consolidated offices and obtain information and reservations quickly and easily. This saves time for the passenger and avoids duplication of sales.

On the freight side, car tracing clerks can quickly obtain information for shippers about car movements. And biggest of all is the economy of dial operation due to elimination of PBX operators. As for control or scheduling of long-distance calls on the NP, there is none because the telephones are to be used by every employee for business purposes, as his call will save the railroad time and money.

**J. E. O'Brien, CN:** We own and operate commercial telephone and telegraph systems as well as provide commercial telephone service throughout Newfoundland, all of this latter service being dial operation. As a result of the Newfoundland experience, the CN is applying dial operations to the railway system across Canada with long-distance telephone circuits connecting 10 major and 30 minor centers. Direct dialing is being installed

between Toronto and Montreal, and we are planning to convert more long-distance telephone circuits to direct dialing.

**N. L. Altland, ACL:** The Atlantic Coast Line owns and operates its telephone system, which is maintained by railroad employees. When the present installation program is completed, ACL will have 20 automatic telephone exchanges of which 10 will be entirely unattended. Long-distance direct dialing is in service on the three districts of the railroad: northern, southern and western. In the future these districts will be tied together for direct dialing from one to any other.

All dialing circuits are arranged for through or terminal connections so that a person can make a local call, or dial through one or more exchanges to make a long-distance call. Future plans are to purchase "digit absorbing" selectors so an exchange can be reached by one number regardless of the point from which the call originates.

Intercity dialing on the ACL has eliminated the necessity for telephone operators at terminals during the daytime tricks by about 50 per cent. Need for their services during holidays, Saturdays and Sundays, and on second and third tricks,



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**2. More Jobs**—Though employment in some areas has fallen off, there are 15 million more jobs than in 1939—and there will be 22 million more in 1975 than today.

**3. More Income**—Family income after taxes is at an all-time high of \$5300—is expected to pass \$7000 by 1975.

**4. More Production**—U.S. production *doubles* every 20 years. We will require millions more people to make, sell and distribute our products.

**5. More Savings**—Individual savings are at highest level ever—\$340 billion—a record amount available for spending.

**6. More Research**—\$10 billion spent each year will pay off in more jobs, better living, whole new industries.

**7. More Needs**—In the next few years we will need more than \$500 billion worth of schools, highways, homes, durable equipment. Meeting these needs will create new opportunities for everyone.



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Your  
Great Future  
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(This space contributed as a public service by this magazine.)

## Intercity Dialing Saves Money

(Continued from page 21)

has been cut about 90 per cent. Net overall expense reduction for operator service is estimated at 75 per cent. Estimated overall length of time to complete calls through intercity trunk circuits is 50 per cent less than with the old method of operation with operators and ringdown circuits.

**A. E. DeMattei, SP:** By the end of 1958, intercity dialing will be in service on the Southern Pacific Lines from Portland, Ore., to New Orleans, La., 3,250 miles. Tandem dialing points enable anyone anywhere on the system to dial any other system extension. Before completion of intercity dialing, the SP had 31 fully attended major PBX's. Now they have 10 fully attended, 4 attended five days a week, 8 unattended, and 9 completely eliminated, by replacing equipment with dial extensions off adjacent exchanges. Prior to intercity dialing, the SP had 91 switchboard positions. These have been reduced to 46. Over 65 per cent of SP mainline offices have dial extensions off automatic telephone exchanges.

**A. H. Fox, GN:** Can subscribers of the Bell System get directly into the ACL telephone system?

**N. L. Altland, ACL:** Key personnel on our railroad have Bell phones. We found that only about 15 per cent of our em-

ployees deal with the public or have need for contact with commercial telephones. For these people we have the commercial Bell system phones, as does any regular subscriber.

**J. H. Wallis, B&O:** Is there any rule of thumb for the number of trunk circuits required between two points when changing from manual ringdown with PBX operators to dial operation?

**A. E. DeMattei, SP:** Roughly four for dial to one for manual, but it varies according to circumstances. Between San Francisco and Los Angeles, we had 9 trunks originally, now we have 24. We encourage telephone usage because it is more economical than writing letters. There is no priority for calls now—the president does his own dialing.

**D. C. Hill, NP:** Calls using dial phones are actually shorter in length and do not tie up the circuits for long periods of time. This is true because a man can instantly call another man. With the old system of operation, a man might wait quite a while for his long-distance call. Under the old method of operation, the calling party would save information so he handled everything in one phone call, which often lasted 15 or 20 minutes. Dial calls may average only 5 minutes.

## Split-Channel Radio: What is it?

New narrow band channels for railroad radio. Federal Communications Commission is ordering new frequencies for all land-transportation radio services.

### Why is it?

For more efficient use of the air waves because of the great increase in radio usage not only by railroads but also by taxis, trucks and construction companies.

### When will it go into effect?

Effective April 1, the FCC established new frequencies for railroad radio. Frequency assignments to individual railroads are now in process by the AAR, and should go to the FCC for final approval about June 1. All railroad radio must be operating on new frequencies and narrow band by November 1, 1958.

## How to Convert for New Frequency Operation?

Railroad radio equipment manufactured in recent years can be converted by a few changes in transmitters and receivers. This takes about one hour in the radio shop.

### Problems in Conversion

R. Floyd McCall, vice-president and manager railroad radio product sales, Motorola, Inc., suggested how to handle specific problems in converting to new split-channel operation. In the process of

conversion, some new equipment (split channel) may have to be operated with present radio equipment. Overall performance is not quite as good as when using either all new or all old radio equipment, but installations of mixed equipment have proved that this type of operation provides usable communications.

Mr. McCall said: "First of all, let us divide our thinking between yard and terminal systems and train or road radio systems. In the first case, most yard and terminal systems are sufficiently isolated

from other portions of the radio systems so they can be handled on an individual basis. Therefore, your thinking for conversion of any yard system can be confined to that particular system. Problems in converting those particular transmitters and receivers can be arranged in terms of material and time to accomplish the conversion fairly easily. Total time for such conversion will be dependent upon the individual problems of the equipment involved and the number of units.

"The second type of yard system would be that of a car inspection system. This generally consists of portable transmitters and receivers which operate through a relay station. The station consists of a receiver to pick up the car inspection transmitter and a relay transmitter to re-broadcast this transmission. The FCC at this time is interested only in the base transmitter.

### Need Not change Portables

"If you have no neighbors on either side of your portable radio frequency, there is no reason why you cannot leave the portable transmitters as they are. This is permissible if the transmitters of the portable units have less than 3 watts power. Since most portables in car inspection service meet this requirement, you can then leave them as they are, leave the pickup receiver as is, but change the relay transmitter to meet new FCC requirements. You will probably turn up the volume on the portables."

The train or road radio system represents the biggest challenge in the conversion problem. This is because, primarily, of the number of units involved and the fact that they are generally spread over a large area. A further complication is the fact that an engine operating on one end of the system today may be operating on the other end of the system tomorrow. Where it is possible to sectionalize conversion of this type of system, the problem is reduced materially.

"First," Mr. McCall said, "let's discuss the system which will stay on the existing radio channel which is now assigned and is made up of equipment convertible to split-channel operation. Conversion in the radio shop will take about one hour for the transmitter and receiver of each radio.

"There is the ever-present problem of how to get the equipment into the radio shop for conversion. To this end, I have talked to several users of large radio systems who have the following recommendations:

(1) "Sectionalize the railroad, if possible, to reduce this problem to the smallest number of units.

(2) "One group seemed to think it would be best to modify the transmitters



## Intercity Dialing Saves Money

(Continued from page 23)

and then operate the system this way while a gradual modification of the receivers takes place.

(3) "The other group feels it would be best to modify the transmitters and receivers at the same time, because it is so difficult to locate the units once they are returned to engines and cabooses. Here the modification would be total on each particular unit and system use would continue on the basis of mixing wide-band (old) and narrow-band (new or split-channel) equipment."

### System on Existing Frequency

"The second system I would like to discuss is that which stays on its existing frequency allocation, but has within it equipment which cannot be modified to split-channel operation. This system requires replacement of equipment and, therefore, becomes involved in more money and budgetary problems as well as conversion problems. It would seem the best approach to this would be to replace the obsolete equipment with narrow-band units and add them into the existing wide-

band system. Modification of the balance of the old equipment would then proceed as I mentioned in the first case."

### System in Changed Frequencies

"The third system concerns the existing railroad radio system operating today on frequencies which will be reassigned, but having convertible equipment. The problem here is one of changing frequencies and converting to split-channel. Any recommendations I give are tempered by the individual conditions. Any change in frequency takes one system and breaks it away from other portions of the system. It is obviously necessary, therefore, to change transmitters and receivers at the same time and attempt to operate the system on two frequencies simultaneously. Problems in connection with end-to-end, train-to-train and train-to-wayside come into the picture very fast. One possible solution would be to put two types of equipment in the base station operating on the old frequency and the new frequency. This would always permit the mobile units to have contact with the base

station. Even an end-to-end conversation could be relayed by means of the base station operator, to maintain communication while conversion is taking place.

"Another possible suggestion in this case is to take segments of the radio system out of operation and take time for the conversion. If this is done, it would seem best to change frequency and make the split-channel conversion at the same time."

### Equipment Not Convertible

"The fourth system would be one operating outside the new allocation and having equipment which is not convertible. It would seem best to replace the equipment before attempting to make any change in frequency. This would mean a double expense, because new crystals would have to be purchased when the move is made to the new frequency. Perhaps the procedure could be modified by buying new equipment on the new frequency allocation and leaving the old equipment on the old allocation. Again, crossover would be made through the base station, which would have both types of equipment, and by sectionalizing the railroad as much as possible. This particular solution would have to be worked out by the individual railroads."

## Railroading



## After Hours with

*Jim Lyne*

**AUTOMATED BEARINGS**—Ten days ago I was in Columbus with a lot of other scribes, as a guest at the opening of Timken's new freight-car bearing plant. I never saw so many Rube Goldberg contraptions. It's such automation that has enabled the manufacturers of journal bearings to reduce costs—relative, that is, to the total cost of a freight car.

**BUGGY MAKER**—I asked our hosts, incidentally, what Timken's original business was. I was told it was making ball-bearing buggies. Just as Studebaker used to concentrate on farm wagons.

If Timken and Studebaker were regulated as the railroads have been regulated, they would never have been allowed to branch out very far into other lines of products. They would still be largely limited to making horse-drawn buggies and wagons. Which would have cramped their style.

**SP DIVERSIFICATION**—It is not true, of course, that railroads are wholly disbarred from providing other kinds of transportation. They are allowed to operate on the highways, under severe restrictions. The Southern Pacific is currently publishing a heartening newspaper advertisement which carries the following descriptive line: "Trains, trucks, piggyback, pipelines." But why shouldn't "planes and barges" be added to the list?

I often wonder why railroad people don't object more than they do to the commodities clause of the IC Act. It ought

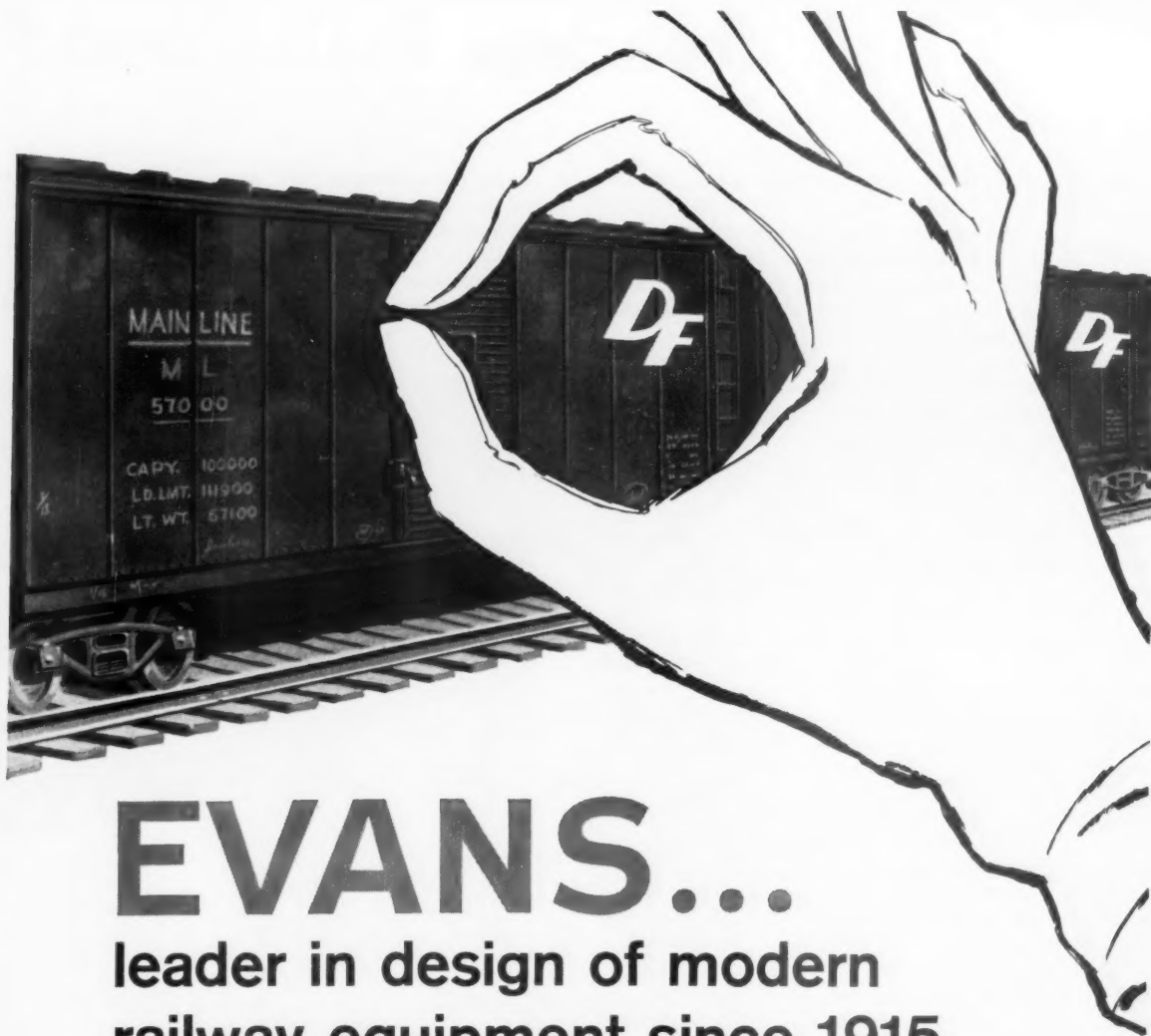
to help a lot if railroads had substantial interest in some of the large industries. If railroad officers sat on the boards of some of them, these officers would learn a lot about other businesses. And the other businesses would pick up some sound instruction about transportation.

Laurence Whittlemore once told me, back in the days when he was railroading, that he thought his board service with non-railroad companies had been invaluable to him.

**EMPLOYEE INITIATIVE**—I have on my desk a copy of an ad from the Newark (Ohio) Advocate, which explains the economic importance of the B&O to the community. The ad has an explanatory line saying that it was not suggested or paid for by the railroad. Instead it was solely the product of employees' own initiative.

This is just one more piece of evidence, bearing out my belief that the railroads' biggest asset is the good-will of their employees. This feeling is usually only latent, because it is seldom systematically cultivated. But it crops out repeatedly.

**RAILROADS & RECOVERY**—Henry Sturgis—Erie director and long a "railroad banker"—doubts that the railroads are emphasizing enough the "recovery" aspect of the Smathers program. I agree. To get \$2 billion of expenditures on waterways (for instance), the cost to the taxpayers is \$2 billion. But to encourage the railroads to spend a like amount, all government has to do is give them a set of free-enterprise rules to work under.



# EVANS...

## leader in design of modern railway equipment since 1915

For over 40 years, railroads and shippers have looked to Evans Products Company for new and better ways to protect freight in transit.

More than 100,000 cars have been equipped by Evans to handle a wide variety of general lading. In addition, Evans has developed several types of special cars, commonly identified as XAP cars, to meet unusual shipping needs.

Progressive railroads are using more

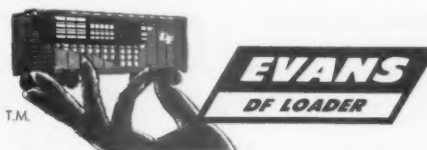
and more Evans-equipped cars to cut damage claims . . . increase revenue . . . insure customer satisfaction.

Evans' long experience in solving shipping problems is available to all railroads and shippers. For information or for on-the-job consultation by Evans loading engineers, write Evans Products Company, Dept. E-5, Plymouth, Michigan. (Canadian representatives, International Equipment Company, Montreal)

*The "Kid Glove Treatment"™ that locks in lading . . . eliminates damage and dunnage*

#### EVANS PRODUCTS COMPANY ALSO PRODUCES:

truck and bus heaters; bicycles and velocipedes; "Evaner"® fir plywood; fir lumber; "Evanite"® battery separators; "Evanite"® hardboard; Haskelite building panels, Plymetl, and doors.



## Readers Praise and Pan

The assistant to president of a major railroad supply company came by for lunch:

"For 20 years," he said, "I've been preaching that railroads ought to get out to the grass roots with their story."

"If all the cities and towns in the country really knew how much railroads mean to them, just in payrolls and taxes alone, they'd jump in and help."

"But either I'm a poor salesman or I've been ahead of myself. You fellows have opened up a wonderful subject. . . ."

The chief executive of a major advertising agency telephoned: "Right now railroads are enjoying the greatest public acceptance they've had in 20 years."

"This thing you're doing, comparing rail and truck advertising, is muddying the water. It couldn't be worse timing. . . ."

A top operating officer of one of the major railroads wrote: "I am in thorough agreement [with what you are doing]. The most intelligent advertisement is of no value if people don't see it or if it is too long to retain their attention."

"Trucks are miles ahead of us in their type of advertising. . . ." So the reactions run. Not surprisingly, they are mixed. Yet everyone agrees the fight for public opinion is crucial.

As *Railway Age* said in this series' initial story: "If the people are for you, all things are possible. If the people aren't for you, nothing is possible."

The ad executive is right when he says railroads have a tide of "public acceptance" running their way. They do. That's the time to set new ideas moving, to pull the trigger on campaigns to translate acceptance into support.

Any change from an existing course always involves healthy disagreement. But right now time is short. Railroads are locked in a struggle for survival . . . hammered by competition, hobbled by regulation, taxed to the edge of confiscation.

There are many railroad advertisers—actual and potential. Not just railroad associations but individual roads, suppliers, and others friendly to the railroads. A massive campaign must come into focus.

Otherwise, opportunity slips away.

### Put Wind in the Sails

Until recently, railroads had drifted into the horse latitudes of public indifference. They simply can't afford to drift back now. It *could* happen. It will, unless the whole industry steps up public communication.

The public may be aware that railroads have problems, even that something should be done to help. But the awareness needs direction. Without that, no action. Without action, no change.

That's the thinking behind this whole series. It wasn't started to make anybody angry, to step on anyone's toes. The move came after talking to dozens of people, collecting facts and ideas about what they thought.

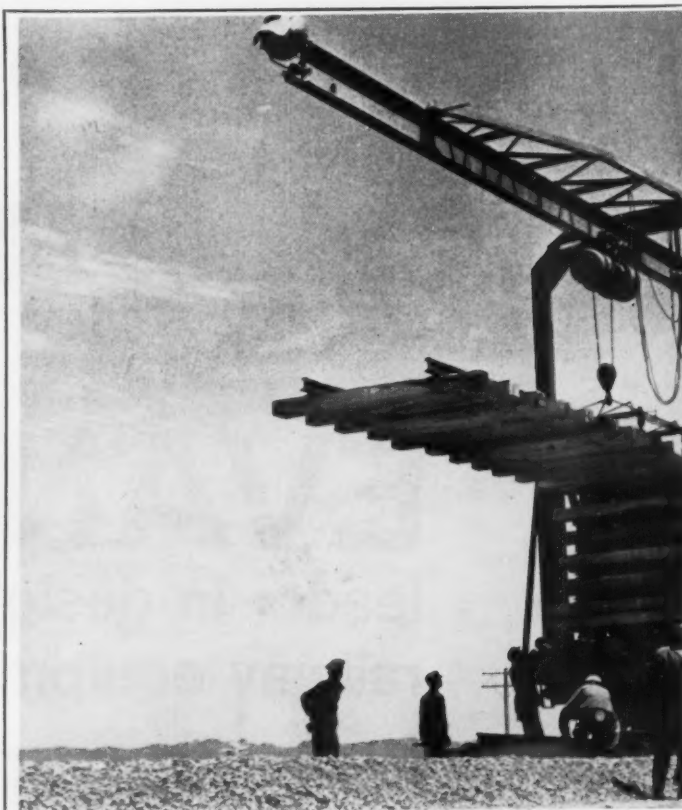
Take, for example, the case of the publisher of a top advertising paper. "What do I think of railroad advertising? Well, frankly, the general impression I have is that 'everybody is mean to me'."

"This type of appeal does not arouse much interest on my part because I have my own problems to think about, and unless

somebody shows me how railroad problems affect me, I couldn't care less about them."

"It seems to me that if railroads are going to make any impression on the people, they are going to have to sell benefits and not woes."

"One problem faced by any advertiser trying to make a na-



## While the Russians

The Russians aren't laying new track for fun—nor are Americans ripping it up for fun. Grim need is behind the actions of both.

The Russians—committed to equal and beat America's economy—have no choice but to expand the "assembly line of Russia," which is her railroad system.

So the Russians are pushing their railroads full steam ahead. . . .

\* Russia doubled track mileage between 1945 and 1950.

# OUTRAGE

Several readers asked *Railway Age* to write out copy for one of the suggested 'Outrage' ads in the May 12 issue. Here is a sample of what such an ad looks like ►



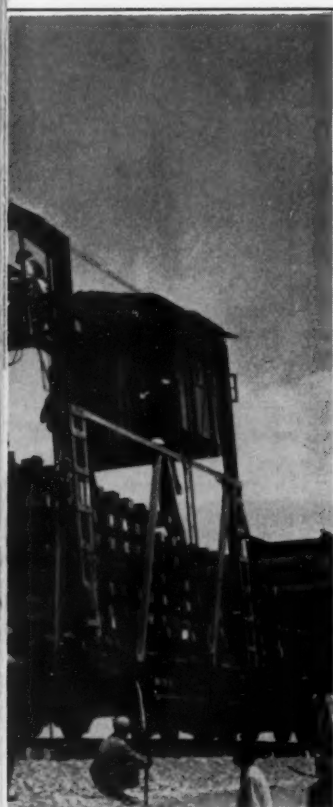
# Proposed "Outrage" Ads

tional impression is that he competes with others for attention. To be effective, this takes a large budget. . ."

Truck advertising, on the other hand, has been screaming loud and often to make points that count. A lot of Americans are persuaded that truck service costs less, is used more than it is. Railroads aren't likely to get much justice until they get such

attitudes changed. It isn't passive sympathy they need most. To win, they must show how their needs are basic to the people's own welfare.

Just for instance: suppose everybody knew how much decent treatment for railroads would do to end the recession. That would stir them into action.



## Hurry New Track... Americans Are Ripping It Up

\* Russia has electrified 3,326 miles of line since 1928, will nearly triple it to 8,388 by 1960.

Why, then, are Americans ripping track up? **Because they can't afford to let it stay there.** Taxes are tremendous; earnings permitted are

pitifully small.

\* America has reduced tracks in service by 15,000 miles since 1940.

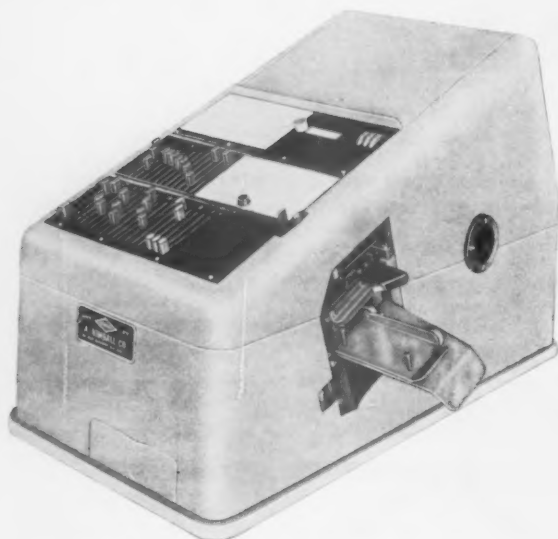
\* America has 40,000 fewer freight cars than just 10 years ago. Our passenger fleet has shrunk by 7,000 cars.

As you read these figures of U.S. shrinkage and Russian expansion, think back to the last world war. Where would we have been without our rock-bottom-economy railroads—which literally carried the country through the war?

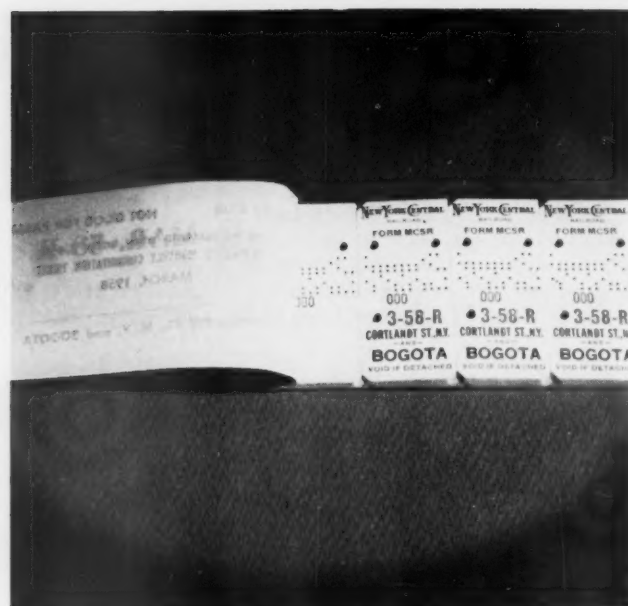
It is important to America  
—to the whole free world—  
that U.S. railroads be allowed  
to compete on even terms.

**America's Railroads**

**Keeping the railroads in chains is putting shocking limitations on America's development**



**PUNCH MARKER** pre-punches book tickets now in use on New York Central's River Division (West Shore Line).



**TICKET BOOK** looks like this. Five types of commuter tickets are presently in this form.

## New Setup Gives Ticket Data—Fast

A new ticketing setup on the New York Central's West Shore line has speeded accounting operations and cut costs. At the same time, it permits quick assembly of facts and figures on commuter volume, revenues and earnings.

The Central's approach is a pioneer effort with pre-punched tickets in book form. Worked out by the road's accounting department, in conjunction with the A. Kimball Company of New York City, this new ticketing idea eliminates slow and expensive hand sorting of collected tickets by destination or origin. It also puts an

end to key punching information from tickets as required for reporting and accounting purposes.

The road adopted these new tickets on the West Short line on March 1, and is now studying possible extension of the plan to other points on the system. While the Central has not reached this point yet, it is thought that this type of ticketing may also have possibilities for one-way and round-trip on-line tickets.

The pre-punched tickets now in use are prepared on a punch marking machine.

Five types of booklet are being issued

under this setup. Form numbers are pre-printed on the face of each ticket, and on each booklet cover. The books are also coded by color. Here's what the Central is using:

- 60-coupon monthly unrestricted (white)
- 48-coupon monthly restricted (white)
- 26-coupon booklet, good one year (yellow)
- 12-coupon booklet, good one year (salmon)
- one-half rate unrestricted monthly for foreign road employees (white).

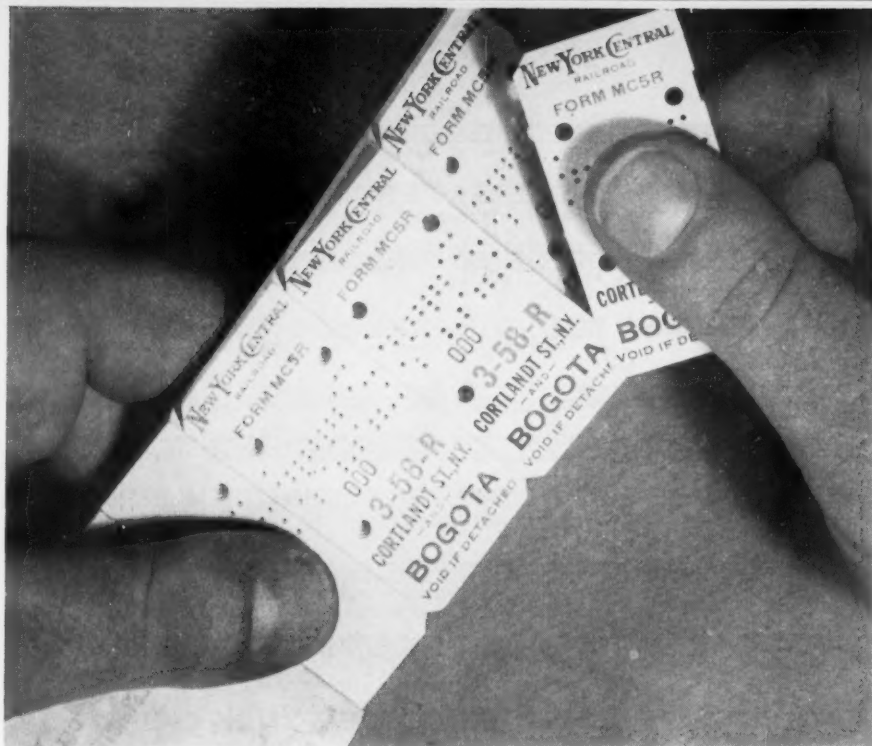
### Auditing Procedure

Tickets from commuters are collected in the usual manner, and are forwarded to the auditor of passenger revenue in Detroit. There the machine operation begins. The pre-punched tickets are fed into an electro-mechanical "tag reader"—a Kimball machine which has a built-in connection for coupling to any IBM 500-series summary punch machine. A standard summary punch cable is the only connection required.

A keyboard on the tag reader enables the operator to dial in variable data, such as train number and date, which doesn't appear on the individual tickets.

### What's in the Pre-Punched 'Tags'

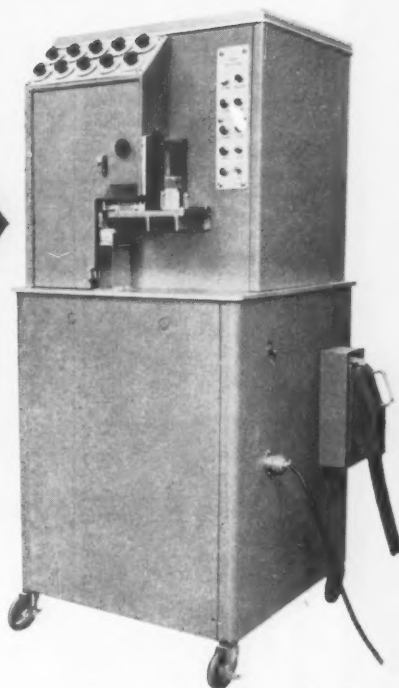
Columns	Detail
1 (Punched)	Intra and/or Interstate Code
2-6 (Punched and Printed)	Booklet Number (each booklet consecutively numbered —all tickets bound in a booklet have the same number)
7-12 (Punched)	Rate per ride (actual amount per ride, e.g. 00.6875)
13-15 (Punched)	From station code
16-18 (Punched)	To station code
19-20 (Punched)	Class of ticket
21-24 (Punched)	Mileage between terminal points in tenths of a mile
<hr/>	
Total columns punched only:	18
Total columns punched and printed:	6



**COLLECTED TICKETS** are dropped in envelope with train number and date, forwarded to auditor of passenger revenue.

This dialed-in data, plus all information from each ticket, flows through the connection and into the punch card machine where standard punched cards are produced. Sorting is then handled by machine, and information from the sorted

punch cards can be automatically converted into printed form as desired. Chances for error are eliminated, and valuable information—e.g., train earnings, station earnings by station, etc.—is available to the railroad while it is current.



**TAG READER** interprets coded tickets, feeds information to punch card machine via connection shown at right.

The tag reader is capable of converting up to 6,000 tickets per hour. Actually, the Central has found around 4,000 an hour a good production rate for its purposes.

## PRR Finds New Way to Cut Costs

The Pennsylvania expects to save nearly \$1,000,000 by using a new ride stabilizing device.

The road recently modernized some 1,700 car sets of old style AAR freight trucks by installing new Holland RS-2 Ride Stabilizers. The trucks are being used under rebuilt hopper cars. The \$1,000,000 savings are to come from the difference between the cost of the RS-2 device and that of installing completely new trucks.

Extensive research and testing preceded the conversion program. The modernized trucks, suitable for high-speed service, have ride characteristics comparable to those of a new truck with 2½-in. spring travel.

The Holland unit provides basically the same type of control built into today's new freight-car trucks. Placed above the AAR standard 2½-in.-travel load-carrying spring group, it is a permanent attachment to the bolster. Horizontal, vertical and longitudinal control is provided whatever the position of the truck while in motion.

Stabilization is assured by the pressure of friction blocks against friction plates on the side frame columns. The blocks are

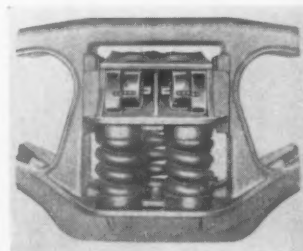
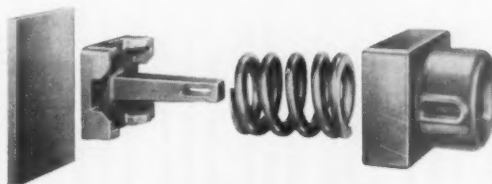
actuated by compression springs retained in the stabilizer housing. Each unit has a center retainer for easy assembly and disassembly. Its spring is larger and heavier than those in earlier Holland stabilizers.

The device requires no lubrication. It is installed by welding friction plates on the face of the side frame columns, slotting the bolster side walls between the column guides, then applying and welding the housings. Control springs and friction blocks are inserted in the housings and the bolster is replaced in the truck side frame.

The control spring is held under pressure by inserting a key through the retainer slot in the friction block until the

bolster is inserted in the side frame. The key is then withdrawn and the spring exerts even pressure over the entire face of the friction block. The bolster can be removed for disassembly by replacing the retainer key without disturbing the ride stabilizer.

**\$1,000,000 SAVINGS** are expected by the Pennsylvania from use of the Holland RS-2 Ride Stabilizer. The device's components (below), include, from left to right, a wear plate, friction block, central spring and housing. Smaller photograph shows two of the stabilizers in place above a standard load-carrying spring group.





## REVENUES AND EXPENSES OF RAILWAYS

(Dollar figures are stated in thousands: La., with last three digits omitted)  
MONTH OF MARCH AND THREE MONTHS OF CALENDAR YEAR 1958

Average operating period	Name of Road	Operating Revenues			Operating Expenses			Total 1957	Total 1958	Total 1959	Total 1960	Total 1961	Total 1962	Total 1963	Total 1964	Total 1965	Total 1966	Total 1967	Total 1968	Total 1969	Total 1970	Total 1971	Total 1972	Total 1973	Total 1974	Total 1975	Total 1976	Total 1977	Total 1978	Total 1979	Total 1980	Total 1981	Total 1982	Total 1983	Total 1984	Total 1985	Total 1986	Total 1987	Total 1988	Total 1989	Total 1990	Total 1991	Total 1992	Total 1993	Total 1994	Total 1995	Total 1996	Total 1997	Total 1998	Total 1999	Total 2000	Total 2001	Total 2002	Total 2003	Total 2004	Total 2005	Total 2006	Total 2007	Total 2008	Total 2009	Total 2010	Total 2011	Total 2012	Total 2013	Total 2014	Total 2015	Total 2016	Total 2017	Total 2018	Total 2019	Total 2020	Total 2021	Total 2022	Total 2023	Total 2024	Total 2025	Total 2026	Total 2027	Total 2028	Total 2029	Total 2030	Total 2031	Total 2032	Total 2033	Total 2034	Total 2035	Total 2036	Total 2037	Total 2038	Total 2039	Total 2040	Total 2041	Total 2042	Total 2043	Total 2044	Total 2045	Total 2046	Total 2047	Total 2048	Total 2049	Total 2050	Total 2051	Total 2052	Total 2053	Total 2054	Total 2055	Total 2056	Total 2057	Total 2058	Total 2059	Total 2060	Total 2061	Total 2062	Total 2063	Total 2064	Total 2065	Total 2066	Total 2067	Total 2068	Total 2069	Total 2070	Total 2071	Total 2072	Total 2073	Total 2074	Total 2075	Total 2076	Total 2077	Total 2078	Total 2079	Total 2080	Total 2081	Total 2082	Total 2083	Total 2084	Total 2085	Total 2086	Total 2087	Total 2088	Total 2089	Total 2090	Total 2091	Total 2092	Total 2093	Total 2094	Total 2095	Total 2096	Total 2097	Total 2098	Total 2099	Total 2100	Total 2101	Total 2102	Total 2103	Total 2104	Total 2105	Total 2106	Total 2107	Total 2108	Total 2109	Total 2110	Total 2111	Total 2112	Total 2113	Total 2114	Total 2115	Total 2116	Total 2117	Total 2118	Total 2119	Total 2120	Total 2121	Total 2122	Total 2123	Total 2124	Total 2125	Total 2126	Total 2127	Total 2128	Total 2129	Total 2130	Total 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2677	Total 2678	Total 2679	Total 2680	Total 2681	Total 2682	Total 2683	Total 2684	Total 2685	Total 2686	Total 2687	Total 2688	Total 2689	Total 2690	Total 2691	Total 2692	Total 2693	Total 2694	Total 2695	Total 2696	Total 2697	Total 2698	Total 2699	Total 2700	Total 2701	Total 2702	Total 2703	Total 2704	Total 2705	Total 2706	Total 2707	Total 2708	Total 2709	Total 2710	Total 2711	Total 2712	Total 2713	Total 2714	Total 2715	Total 2716	Total 2717	Total 2718	Total 2
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# REVENUES AND EXPENSES OF RAILWAYS

(Dollar figures are stated in thousands; i.e., with last three digits omitted)

MONTH OF MARCH AND THREE MONTHS OF CALENDAR YEAR 1958

Name of Road	Average operating revenue during period	Operating Revenues			Main. Way and Structures			Operating Expenses			Total	Operating ratio 1958-1957	Net from railway operation	Railway tax accruals	Net Railway operating income
		Freight	Pass.	Total (inc. misc.)	Total 1958	Total 1957	Retire-ments	Total 1958	Total 1957	Retire-ments					
Elgin, Joliet & Eastern.....	236	2,511	3,291	5,802	253	373	29	3,381	830	125	45	1,327	3,290	304	456
3 mos. ....	236	7,644	9,961	17,605	796	1,233	82	10,401	2,523	375	131	4,061	9,961	919	1,283
Erie.....	2,297	11,281	5,119	16,400	1,243	1,469	218	1,469	2,262	556	375	1,111	10,415	1,398	2,367
3 mos. ....	2,297	35,843	15,357	51,200	3,735	4,738	645	4,380	6,759	1,611	1,111	3,222	32,222	3,735	4,599
Florida East Coast.....	2,519	4,571	3,429	8,000	4,410	4,659	89	4,410	4,659	115	89	1,304	2,516	211	419
3 mos. ....	2,519	13,715	9,891	23,606	12,862	13,761	343	12,862	13,761	343	267	3,672	7,497	650	981
Georgia Railroad.....	321	538	12	550	134	134	9	110	149	33	40	285	561	35	55
3 mos. ....	321	1,593	40	1,633	269	372	26	339	449	101	120	867	1,661	79	123
Georgia & Florida.....	332	285	40	325	295	69	76	4	33	59	8	22	292	16	31
3 mos. ....	332	859	117	976	208	210	11	210	118	24	66	77	221	16	31
Grand Trunk Western.....	951	4,799	1,157	5,956	3,839	2,088	210	3,839	2,088	24	66	77	4,744	359	12
3 mos. ....	951	14,035	3,606	17,641	11,938	6,703	167	11,938	6,703	274	266	7,097	12,546	1,879	284
Great Northern.....	8,274	15,323	559	16,987	2,324	3,436	319	3,947	3,902	825	506	6,815	15,917	1,622	1,673
3 mos. ....	8,274	46,858	1,687	48,545	7,121	9,683	94	12,004	12,004	2,489	1,238	20,117	48,283	4,135	5,073
Green Bay & Western.....	8,274	46,858	1,687	48,545	7,121	9,683	94	12,004	12,004	2,489	1,238	20,117	48,283	4,135	5,073
3 mos. ....	8,274	14,179	224	14,403	1,172	1,66	13	1,172	1,66	27	74	300	845	362	148
Gulf Mobile & Ohio.....	2,757	5,276	233	5,509	986	1,115	73	1,494	1,310	295	302	2,437	5,276	1,494	95
3 mos. ....	2,757	17,758	796	18,554	2,769	3,235	235	4,004	4,372	893	900	7,102	16,570	3,665	1,278
Illinois Central.....	6,497	18,101	1,533	19,634	2,790	3,850	497	4,446	4,651	972	611	8,575	17,213	2,372	1,856
3 mos. ....	6,497	52,721	4,976	57,697	8,068	11,360	1,247	13,315	15,212	2,855	1,878	26,079	52,721	4,567	2,249
Illinois Terminal.....	339	2,236	68	2,304	308	356	33	341	394	92	149	1,084	2,122	248	574
3 mos. ....	339	6,852	201	7,053	945	1,057	102	1,047	1,159	274	182	3,000	6,852	530	1,324
Kansas City Southern.....	891	3,321	58	3,379	259	332	492	454	492	106	102	1,106	2,134	1,574	560
3 mos. ....	891	10,199	185	10,384	885	957	145	1,568	1,457	317	301	3,471	6,627	4,724	2,089
Kansas, Oklahoma & Gulf.....	327	437	437	874	71	34	34	34	34	12	30	102	265	73	55
3 mos. ....	327	1,416	1,416	2,832	244	244	24	268	268	35	91	284	748	315	279
Lake Superior & Ishpeming.....	160	297	98	395	137	137	11	126	126	22	21	174	334	127	147
3 mos. ....	160	881	297	1,178	332	332	33	365	365	68	68	415	881	386	466
Lehigh & Hudson River.....	96	281	815	1,096	101	107	7	124	115	25	56	327	656	64	15
3 mos. ....	96	848	2,485	3,333	231	231	231	231	231	231	231	231	231	231	231
Lehigh & New England.....	177	1,277	488	1,765	145	145	6	135	186	52	26	395	457	31	90
3 mos. ....	177	3,813	1,295	5,108	415	552	74	489	638	155	74	748	1,655	86	113
Lehigh Valley.....	1,131	4,313	210	4,523	711	666	99	943	1,111	218	155	2,592	4,649	1,449	1,204
3 mos. ....	1,131	13,141	797	13,938	2,031	2,089	302	2,343	2,430	540	452	7,746	13,938	1,350	1,589
Litchfield & Madison.....	177	1,277	488	1,765	145	145	6	135	186	52	26	395	457	31	90
3 mos. ....	177	3,813	1,295	5,108	415	552	74	489	638	155	74	748	1,655	86	113
Long Island.....	350	1,911	4,925	6,836	863	771	197	1,051	808	138	97	1,437	3,074	408	1,32
3 mos. ....	350	5,556	15,740	21,296	2,317	2,317	234	2,551	2,551	504	89	8,574	13,321	4,797	210
Louisiana & Arkansas.....	746	1,918	38	1,956	183	183	11	172	172	98	79	8,574	13,321	4,797	210
3 mos. ....	746	5,556	115	5,671	569	664	26	595	664	26	242	2,020	5,671	2,295	1,070
Louisville & Nashville.....	5,697	49,438	1,861	51,299	8,508	9,644	853	9,361	10,497	1,136	1,521	23,342	48,776	50,007	6,551
3 mos. ....	5,697	14,844	5,476	20,320	12,493	13,091	3,172	15,665	16,565	3,172	1,521	23,342	48,776	50,007	6,551
Maine Central.....	944	2,406	56	2,462	365	418	29	381	429	84	26	879	1,665	307	262
3 mos. ....	944	7,218	161	7,379	1,260	1,260	36	1,296	1,296	90	106	2,642	1,427	230	316
Minneapolis & St. Louis.....	1,391	5,081	4	5,085	779	766	89	868	852	271	341	1,881	4,265	1,014	186
3 mos. ....	1,391	15,243	12	15,255	2,306	2,306	23	2,329	2,329	74	84	258	6,583	1,600	115
Minn., Northfield & Southern.....	77	1,037	.....	1,037	56	60	7	129	193	38	34	285	507	102	187
3 mos. ....	77	3,111	.....	3,111	177	200	35	177	200	35	3	469	915	230	238
Minn., St. Paul & S. Marie.....	3,222	2,929	37	3,266	597	591	47	763	808	138	97	1,437	3,074	408	1,32
3 mos. ....	3,222	9,203	112	9,315	1,731	1,731	153	2,273	2,125	414	318	4,217	9,203	3,053	282
Missouri-Illinois.....	172	1,160	.....	1,160	166	149	11	177	271	112	36	322	817	48	480
3 mos. ....	172	3,484	.....	3,484	510	510	85	595	595	227	101	1,937	3,780	1,172	246
Missouri-Kansas-Texas Lines.....	3,072	13,016	90	13,106	1,589	2,973	283	2,858	3,135	783	605	5,573	11,594	3,350	447
3 mos. ....	3,072	39,071	284	39,355	4,264	3,708	302	4,111	4,557	1,041	672	9,019	18,505	5,530	2,797
Missouri Pacific.....	9,567	21,127	709	22,836	3,708	3,708	302	4,111	4,557	1,041	672	9,019	18,505	5,530	2,797
3 mos. ....	9,567	61,299	2,241	63,540	10,951	9,066	877	12,556	13,576	3,127	2,033	27,246	54,402	15,381	8,913
Monon.....	541	1,525	154	1,679	206	206	13	193	193	62	11	208	4,298	1,34	177
3 mos. ....	541	4,576	454	5,030	541	541	541	541	541	541	541	541	541	541	541
Monongahela.....	177	1,136	.....	1,136	200	233	35	177	180	33	3	469	915	230	238
3 mos. ....	177	3,415	.....	3,415	590	630	35	590	630	35	3	469	915	230	238
New York Central.....	10,521	115,954	6,934	122,888	19,539	17,612	1,213	19,539	18,984	2,545	1,484	27,699	47,150	5,616	1,479
3 mos. ....	10,521	354,994	20,544	375,538	58,000	51,269	3,241	58,000	51,269	7,579	3,241	81,269	141,510	12,283	10,920
Pittsburgh & Lake Erie.....	231	2,380	39	2,419	399	601	43	442	1,096	299	83	1,049	2,715	199	584
3 mos. ....	231	7,139	112	7,251	1,172	1,172	112	1,172	1,172	112	112	1,172	1,172	112	112
New York, Chicago & St. Louis.....	2,179	10,861	112	10,973	1,512	1,512	112	1,512	1,512	112	112	1,512	1,512	112	112
3 mos. ....	2,179	32,487	389	32,876	4,152	4,152	389	4,152	4,152	389	389	4,152	4,152	389	389
New York, New Haven & Hartford.....	1,762	6,014	4,041	10,055	1,328	1,328	276	1,604	2,132	400	210	6,124	10,710	1,800	776
3 mos. ....	1,762	18,059	12,411	30,470	4,482	4,482	276	4,758	5,760	1,499	614	18,059	30,470	2,942	3,885
New York Connecting.....	21	530	.....	530	291	260	76	57	55	.....	.....	260	618	275	60
3 mos. ....	21	1,584	.....	1,584	184	184	184	184	184	184	184	184	184	184	184
New York, Susque & Western.....	120	909	104	1,013	121	142	18	178	187	37	20	558	963	87	25
3 mos. ....	120	2,721	.....	2,721	363	363	363	363	363	363	363	363	363	363	363

(Continued on page 32)

## REVENUES AND EXPENSES OF RAILWAYS

(Dollar figures are stated in thousands; i.e., with last three digits omitted)  
MONTH OF MARCH AND THREE MONTHS OF CALENDAR YEAR 1958

Name of Road	Average revenue per operating unit during period	Operating Revenues			Maint. Way and Structures			Operating Expenses			Operating			Net		
		Total (inc. misc.)			Total			Total			Total			Total		
		Pass.	Freight	Other	1958	1957	1956	1958	1957	1956	1958	1957	1956	1958	1957	1956
Norfolk & Western	2,131	16,134	208	1,777	18,119	17,448	17,448	18,119	17,448	17,448	18,119	17,448	17,448	18,119	17,448	17,448
Norfolk Southern	604	2,786	682	1,413	4,881	4,717	4,717	4,881	4,717	4,717	4,881	4,717	4,717	4,881	4,717	4,717
Norfolk Western	6,829	11,510	330	12,839	14,881	14,881	14,881	14,881	14,881	14,881	14,881	14,881	14,881	14,881	14,881	14,881
Norfolk Western	6,829	34,837	1,979	36,816	42,970	42,970	42,970	42,970	42,970	42,970	42,970	42,970	42,970	42,970	42,970	42,970
Northwestern Pacific	329	980	1	980	980	980	980	980	980	980	980	980	980	980	980	980
Northwestern Pacific	329	2,311	2	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311
Pacific Electric	363	1,066	1	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066
Pennsylvania	9,944	151,946	26,140	178,086	204,186	204,186	204,186	204,186	204,186	204,186	204,186	204,186	204,186	204,186	204,186	204,186
Penn. Reading Seashore Line	388	549	69	618	618	618	618	618	618	618	618	618	618	618	618	618
Piedmont & Northern	126	1,300	1	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Pittsburgh & West Virginia	132	2,260	1	2,260	2,260	2,260	2,260	2,260	2,260	2,260	2,260	2,260	2,260	2,260	2,260	2,260
Reading	1,304	8,340	592	8,932	12,682	12,682	12,682	12,682	12,682	12,682	12,682	12,682	12,682	12,682	12,682	12,682
Richmond, Fredericks & Potomac	118	3,742	1,366	5,108	5,108	5,108	5,108	5,108	5,108	5,108	5,108	5,108	5,108	5,108	5,108	5,108
Rutland	391	1,042	1	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042
St. Louis-San Francisco	4,593	23,959	757	24,716	24,716	24,716	24,716	24,716	24,716	24,716	24,716	24,716	24,716	24,716	24,716	24,716
St. Louis-San Francisco & Texas	143	3,742	1,366	5,108	5,108	5,108	5,108	5,108	5,108	5,108	5,108	5,108	5,108	5,108	5,108	5,108
St. Louis, Southwestern Lines	1,560	8,968	6	8,974	8,974	8,974	8,974	8,974	8,974	8,974	8,974	8,974	8,974	8,974	8,974	8,974
Savannah & Atlanta	144	293	1	293	293	293	293	293	293	293	293	293	293	293	293	293
Seaboard Air Line	4,146	11,538	1,834	13,372	13,372	13,372	13,372	13,372	13,372	13,372	13,372	13,372	13,372	13,372	13,372	13,372
Southern	6,273	55,920	2,693	58,613	58,613	58,613	58,613	58,613	58,613	58,613	58,613	58,613	58,613	58,613	58,613	58,613
Alabama Great Southern	397	1,885	36	1,921	1,921	1,921	1,921	1,921	1,921	1,921	1,921	1,921	1,921	1,921	1,921	1,921
Albany, New Orleans & Tex. Pac.	337	2,772	130	2,902	2,902	2,902	2,902	2,902	2,902	2,902	2,902	2,902	2,902	2,902	2,902	2,902
Georgia Southern & Florida	337	8,643	298	8,941	8,941	8,941	8,941	8,941	8,941	8,941	8,941	8,941	8,941	8,941	8,941	8,941
New Orleans & Northeastern	203	978	148	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,126
Southern Pacific	8,094	102,623	2,434	105,057	105,057	105,057	105,057	105,057	105,057	105,057	105,057	105,057	105,057	105,057	105,057	105,057
Texas & New Orleans	4,283	10,416	268	10,684	10,684	10,684	10,684	10,684	10,684	10,684	10,684	10,684	10,684	10,684	10,684	10,684
Spokane International	150	410	1	410	410	410	410	410	410	410	410	410	410	410	410	410
Spokane, Portland & Seattle	180	1,013	63	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076
Tennessee Central	286	951	1	951	951	951	951	951	951	951	951	951	951	951	951	951
Texas & Pacific	1,831	5,499	230	5,729	5,729	5,729	5,729	5,729	5,729	5,729	5,729	5,729	5,729	5,729	5,729	5,729
Texas Mexican	161	280	1	280	280	280	280	280	280	280	280	280	280	280	280	280
Toledo, Peoria & Western	239	1,769	1	1,769	1,769	1,769	1,769	1,769	1,769	1,769	1,769	1,769	1,769	1,769	1,769	1,769
Union Pacific	9,753	34,309	1,709	36,018	36,018	36,018	36,018	36,018	36,018	36,018	36,018	36,018	36,018	36,018	36,018	36,018
Virginian	688	4,024	1	4,024	4,024	4,024	4,024	4,024	4,024	4,024	4,024	4,024	4,024	4,024	4,024	4,024
Wabash	2,392	23,922	1,044	24,966	24,966	24,966	24,966	24,966	24,966	24,966	24,966	24,966	24,966	24,966	24,966	24,966
Ann Arbor	294	716	1	716	716	716	716	716	716	716	716	716	716	716	716	716
Western Maryland	845	10,855	214	11,069	11,069	11,069	11,069	11,069	11,069	11,069	11,069	11,069	11,069	11,069	11,069	11,069
Western Pacific	1,192	18,964	476	19,440	19,440	19,440	19,440	19,440	19,440	19,440	19,440	19,440	19,440	19,440	19,440	19,440
Wisconsin Central	1,031	2,459	21	2,480	2,480	2,480	2,480	2,480	2,480	2,480	2,480	2,480	2,480	2,480	2,480	2,480



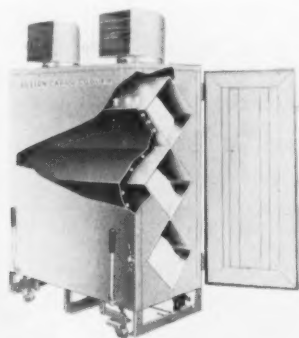
# New Products Report

## Portable Metal-Cutting Saw

The gasoline engine powered Kalamobile, a portable horizontal metal cutting band saw, combines self power and complete mobility. MG610D has a Continental Red Seal, 2-hp gasoline engine. The "wheel-barrow" chassis is rolled about on 12 in. solid rubber tired wheels. Collapsible rubber gripped handles are telescoped into tubes to eliminate interference during operation and utilize a half-way stop for an alternate degree of carrying leverage. Machine Tool Division, Kalamazoo Tank & Silo Co., Dept. RA, Kalamazoo, Mich.

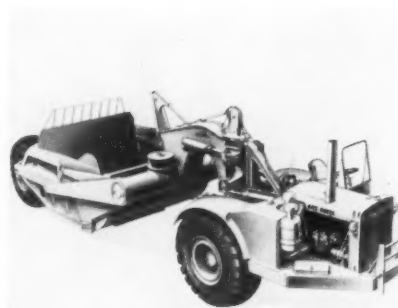
## New Rider Truck

The Barret PO-40 platform truck is now available in a riding model, with a non-slip platform replacing the handle of the walkie unit. All operations of the truck are performed electrically and are controlled by pushbuttons. Standard units have capacities of 4,000 to 6,000 lb, lift of 72 in., and platform height of 30 to 60 in. Overall height is 82 in. The PO-40 has two speeds forward and reverse and is available with 12- or 24-volt systems. Barrett-Cravens Company, Dept. RA, 628 Dundee Road, Northbrook, Ill.



## Portable Cargo Cooler

Mobility is the key word in the new Elston portable cargo cooler series. Units are equipped with a retractable carriage, making transfer of a cooler from one trailer to another a matter of a few minutes' work. The object is to give full mobility to the refrigeration needs of any truck fleet. Coolers are available manually or thermostatically controlled in three sizes—P-300, P-450 and P-600, the figures representing the dry ice capacity in pounds. Rue R. Elston Co., Inc., Dept. RA, 2223 15th Avenue South, Minneapolis 4, Minn.



## More Powerful Tractors

A new series of wheel tractors is said to offer greater lugging ability and higher travel speeds. The Cat DW21 (Series D) and DW20 (Series F) tractors are equipped with an improved air-induction system. This is said to provide accurate control of Turbocharger speed over its complete range. Top speed of the DW21 is 22.6 mph, compared to 20.5 mph on the previous series. Top speed on the new Cat DW20 is 35.8 mph, an increase of 3.7 mph over the previous model. Caterpillar Tractor Company, Dept. RA, Peoria, Ill.



## Transistorized Packset

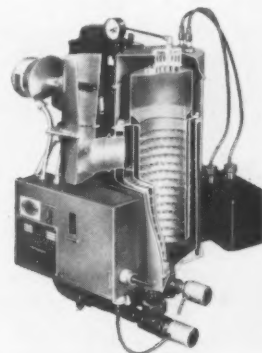
A one-watt portable radio packset weighing about 10 lb is now on the market. With a completely transistorized receiver section, the walkie-talkie has a built-in loudspeaker for receiving all radio calls. For transmitting, the palm-type microphone is used. Either dry cells or mercury batteries supply power. If the packset is to be used at one location for a considerable time, a 117-volt a.c. accessory power supply unit can be used instead. General Electric Co., Communications Products Dept., RA, Syracuse 1, N. Y.

## Robot Bill Changer

Bill changer, an electronic robot which makes change for a dollar bill, will work this summer in railroad, bus and airline terminals, relieving ticket agents of making change for telephone and vending machines. It accepts wrinkled, crumpled or upside down bills and rejects foreign currency and phony money. The robot can be built to make change for larger bills and to dispense tickets for regularly scheduled short trips. A.B.T. Mfg. Corp., Division of Atwood Vacuum Machine Co., Dept. RA, 715 N. Kedzie Ave., Chicago.

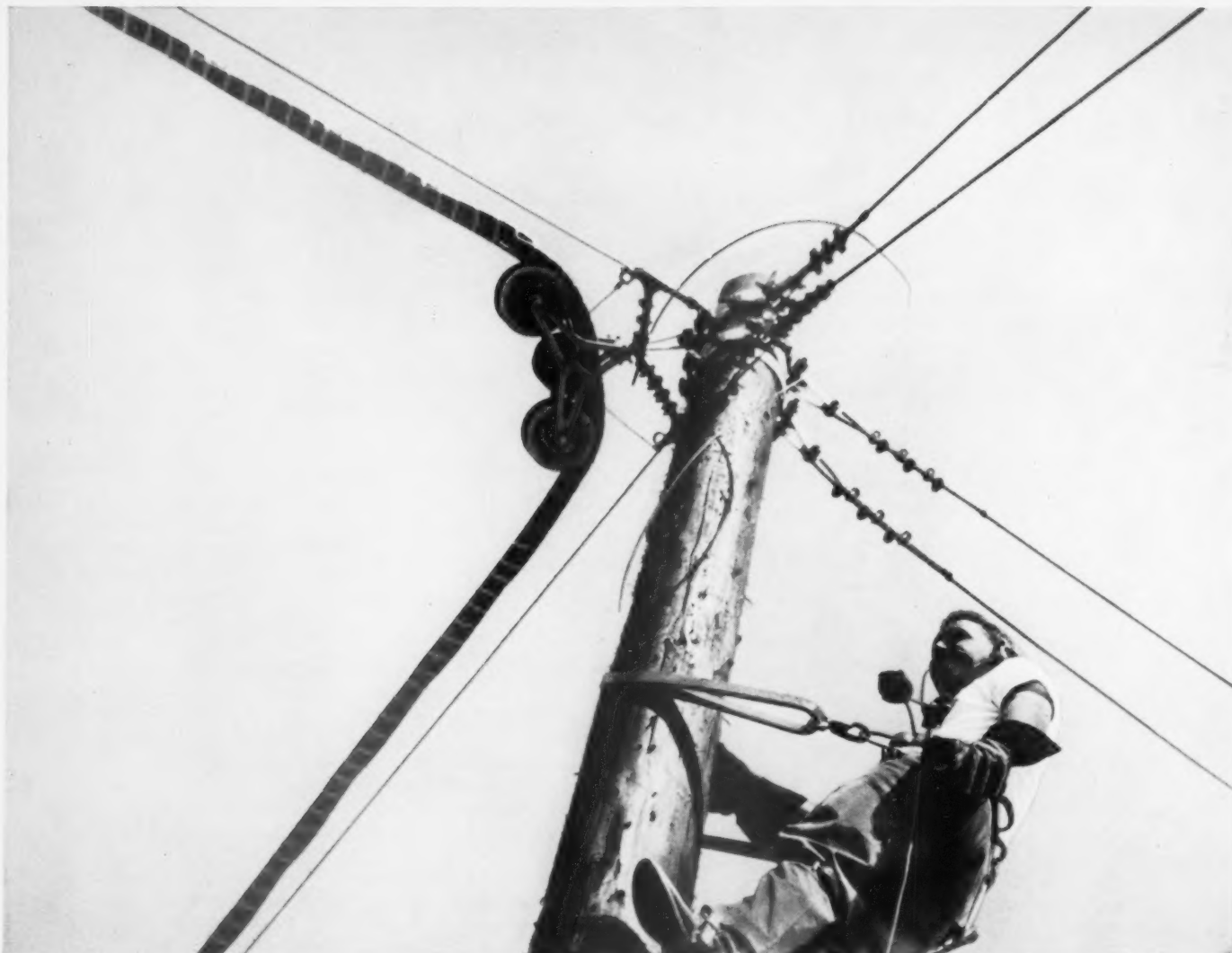
## New Rod and Piston

Less weight, improved lubrication and better heat distribution are claimed for a new type of connecting rod and piston for two-cycle diesel engines. It is chambered to function as an integral oil pump for furnishing an immediate oil supply to the mushroom bearing in the piston. The complete rod and piston are incorporated as part of an overall assembly that consists of a complete head, liner, water jacket, rod and piston, the manufacturer reports. Diesel Division, Dept. RA, Harnischfeger Corp., Crystal Lake, Ill.



## Heater Conversion Kit

Kits are now available to convert Vapor Heating Corporation's model 4915 Watchman heaters to 4916 types. Improvements which can be incorporated in the 4915 model include a new combustion chamber and blower housing and a fixed position for the electrodes and fuel nozzle. An after purge cycle has also been included in the controls to keep the nozzle tip from carboning up. The exhaust stack from the heater has been flared out to reduce back pressure. Vapor Heating Corp., Dept. RA, 6420 West Howard Street, Chicago 31, Ill.



**AERIAL CABLE** is installed without crossarms, enabling railroad to add to electrical system with minimum labor cost and delay.

## Three won't make a crowd—with Anaconda Aerial Cable

Crowded poles . . . new power lines needed! This railroad solved the problem neatly and at low cost with Anaconda Aerial Cable.

Anaconda Aerial Cable is fast, easy to install — no special ducts, crossarms or insulators are needed. And one cable takes the place of multiple wires!

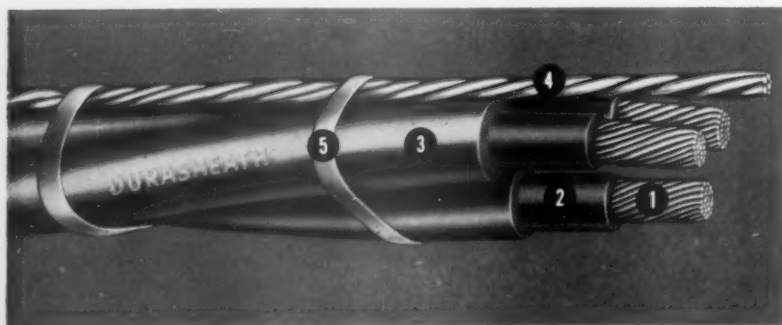
Even where space is not a factor, you may find Anaconda Aerial Cable far more economical than other conductors in the long run. Aerial cable shrugs off

wind, rain, snow and ice — withstands falling branches — minimizes maintenance and repairs; has unsurpassed dependability.

**TODAY'S FINEST AERIAL CABLE!** Type AB butyl insulation gives Anaconda Aerial

Cable top resistance to ozone, heat and moisture. The Man from Anaconda or your Anaconda distributor can give you full information. Write or call today. Anaconda Wire & Cable Company, 25 Broadway, New York 4, N. Y. 57236

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3. Neoprene weather-resistant jacket
4. Messenger
5. Binder tape

# MARKET OUTLOOK *at a glance*

## Carloadings Climb 4.8% Over Previous Week's

Loadings of revenue freight in the week ended May 17 totaled 560,765 cars, the Association of American Railroads announced on May 22. This was an increase of 25,561 cars, or 4.8%, compared with the previous week; a decrease of 161,379 cars, or 22.3%, compared with the corresponding week last year; and a decrease of 218,232 cars, or 28%, compared with the equivalent 1956 week.

Loadings of revenue freight for the week ended May 10 totaled 535,204 cars; the summary, compiled by the Car Service Division, AAR, follows:

REVENUE FREIGHT CAR LOADINGS			
For the week ended Saturday, May 10			
District	1958	1957	1956
Eastern .....	81,293	112,436	123,927
Allegheny .....	89,316	141,299	160,500
Poconchos .....	40,330	65,331	63,274
Southern .....	103,723	121,945	130,931
Northwestern .....	68,636	116,144	124,093
Central Western .....	105,750	113,324	117,290
Southwestern .....	46,156	52,838	57,511
Total Western Districts .....	220,542	282,306	298,894
Total All Roads .....	535,204	723,317	777,606
Commodities:			
Grain and grain products .....	45,825	47,561	50,756
Livestock .....	5,651	6,174	6,747
Coal .....	87,608	133,847	139,781
Coke .....	5,299	11,478	13,315
Forest Products .....	34,625	39,778	45,454
Ore .....	22,659	78,001	86,006
Merchandise I.C.I. .....	45,290	54,684	60,336
Miscellaneous .....	288,247	351,794	375,211
May 10 .....	535,204	723,317	777,606
May 3 .....	533,004	718,986	770,538
April 26 .....	533,724	690,789	779,977
April 19 .....	534,475	686,950	763,437
April 12 .....	521,035	673,944	742,053
Cumulative total, 19 weeks .....	10,148,287	12,765,208	13,499,212

**IN CANADA.**—Carloadings for the seven-day period ended May 7 totaled 80,216 cars, compared with 99,605 cars for the previous nine-day period, according to the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada:		
May 7, 1958 .....	80,216	28,460
May 7, 1957 .....	79,286	32,832
Cumulative Totals:		
May 7, 1958 .....	1,201,571	521,180
May 7, 1957 .....	1,300,113	599,924

## New Equipment

### FREIGHT-TRAIN CARS

► **Argentina.**—Argentine State Railways is negotiating with the American Car & Foundry Division of ACF Industries for 287 standard gauge hopper cars to cost an estimated \$3.6 million. The cars will be used for transport of stone ballast.

► **Deliveries Drop.**—April freight car deliveries totaled 5,163, compared with 5,906 in March. Deliveries in April 1957 totaled 8,961. New cars ordered in April totaled 278, compared with 239 in March. Freight car orders in April 1957 totaled 6,478. Cars on order and undelivered on May 1 totaled 32,908, compared with 38,027 on April 1 and 105,190 a year ago.

Type	Ordered Apr. '58	Delivered Apr. '58	On Order May 1, 1958
Box—plain .....	0	751	9,100
Box—auto .....	100	0	600
Flat .....	1	52	2,200
Gondola .....	0	1,944	5,950
Hopper .....	0	1,289	9,915
Covered Hopper .....	100	433	1,476
Refrigerator .....	0	256	1,687
Tank .....	77	394	1,756
Caboose .....	0	33	47
Other .....	0	11	177
<b>TOTAL .....</b>	<b>278</b>	<b>5,163</b>	<b>32,908</b>
Car Builders .....	178	3,630	8,158
Railroad Shops .....	100	1,533	24,750

### LOCOMOTIVES

► **Brazil.**—Ordered 15 45-ton and 2 65-ton diesel locomotives from the International General Electric Company. The locomotives will be manufactured by G-E's Locomotive & Car Equipment Department in Erie, Pa. They will be used for switching freight cars delivered to various ports by Brazilian railroads. The order was placed by Brazil's National Development Bank for the Port Administration of Rio and the Minister of Transportation and Public Works in the National Department of Ports, Rivers and Canals.

## New Facilities

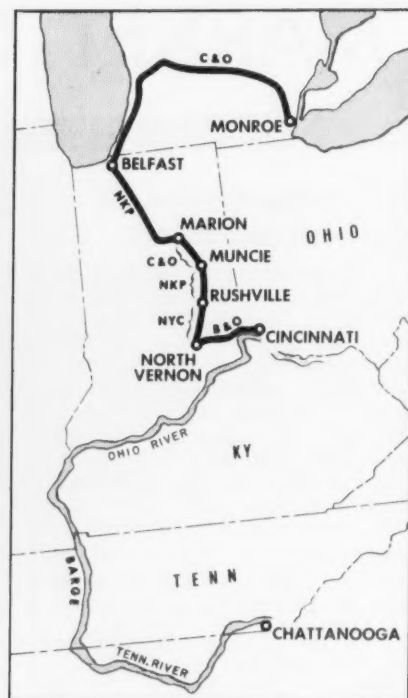
► **Alaska.**—Will construct new transit shed at the Seward, Alaska, marine terminal at cost of \$534,700. Completion is scheduled for December. Also in progress is ballasting and surfacing of 43.8 miles of main track and 2.5 miles of sidings and spurs. Cost will be \$599,790.35; completion is set for September 30.

► **Northern Pacific.**—Two line changes, west of Custer, Mont., and at Gibbon, Wash., will be placed in service this summer. Grading is under way on the Custer project; grading has been completed and track work is in progress on the 7,100-ft Gibbon change. Total cost of the two changes is \$460,000. Other major NP projects include: Installation of CTC between Martin and Stampede, Wash., including installation of controls at Easton, Wash., and alterations to the ventilating plant at the west end of Stampede Tunnel, all at a cost of \$120,000; construction of nine automatic pre-dried sanding facilities at various points at a total cost of \$100,000; elimination of a steam power plant at St. Paul, Minn., freight house through construction of a 4,000-ft steam line from a plant at St. Paul coach yards, at a cost of \$33,000.





WANDERING NUCLEAR REACTOR crosses a Nickel Plate bridge near Marion, Indiana. Top supervisors of five roads nursed it along the way. Map (right) shows route.



## Railroads Deliver the Goods For Giant Atomic Power Plant

Working with atom-splitting precision, five railroads delivered the heart of America's first full-scale industrial atomic power plant to a site near Monroe, Mich., this month. The plant bears the name of the late scientist Enrico Fermi.

Shipping the stainless steel nuclear reactor vessel from the Combustion Engineering, Inc., plant in Chattanooga, Tenn., posed some of the thorniest problems in transportation history.

Rails carried it over nine different routes because of clearance problems: it is about six feet higher than the normal box car, and it is 15 feet wide.

The vessel's complicated mechanism is designed to produce enough atomic power for a city of 135,000. The Chesapeake & Ohio modified a flatcar with saddles and blocking structures to "cradle" it for the 660-mile rail trip. The car wheels were shaved down and shims inserted under the car springs for a smooth movement. Earl J. Mannausa of United Engineers & Constructors, Inc., who planned the trip over a period of three years, congratulated the roads for their precision work. The perfect contour and balance of the saddles saved two days' adjusting time, he said.

The reactor vessel traveled 928 miles by barge over the Tennessee and Ohio Rivers to Columbia Park, Ohio, where it was lifted onto the flatcar. A pilot car carrying a mock-up the same height as

the vessel—21 feet—preceded it, with a spacer car in between.

About 800 cars had to be removed from adjacent sidings all along the route to permit clearance. Large tree limbs were removed by all railroads; two signal towers on the B&O had to be unbolted en route and turned. The 131-lb. rail under the Franklin Street Bridge in Grand Rapids was replaced for a distance of 117 feet by 90-lb. rail to increase the clearance by 1½ inches. At Delaware, Ohio, a B & O bridge was raised and widened.

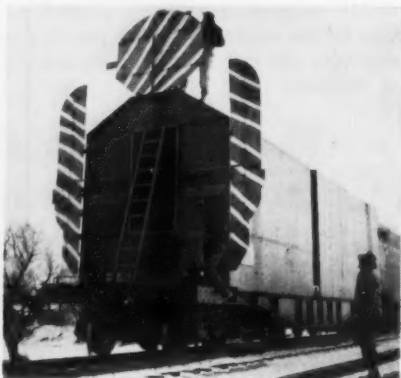
The special flatcar cost \$14,798 to modify. Freight charges, plus bridge and route alterations, ran the total bill to \$45,278 for the rail hauls.

The vessel's rail route was:

1. B & O from Columbia Park, Ohio, to North Vernon, Ind.
2. New York Central to Rushville, Ind.
3. Nickel Plate to Muncie, Ind.
4. C & O to Marion, Ind.
5. New York Central switch movement from C & O to Nickel Plate in Marion to avoid tight clearance at four bridges.
6. Nickel Plate to Belfast, Ind.
7. C & O to Monroe, Mich.
8. New York Central switch movement from C & O to Detroit, Toledo & Shoreline in Monroe, Mich.
9. Detroit, Toledo & Shore Line to Enrico Fermi plant site, on Lake Erie 30 miles south of Detroit.



**TIGHT CLEARANCE.** The roads were prepared to pull the vessel through tight clearances by winch and cable, but it was not necessary.



**TESTING.** Mock-up of vessel preceded it. The trip took 21 days, seven days less than expected. Good advance preparation in loading and rigging saved the time.

# Per Diem: The Battle Isn't Over

Short-haul terminal railroads have gained new ground in their revolt against prevailing freight car per diem charges—but the battle still isn't over.

A three-man federal court in Massachusetts has held that the Interstate Commerce Commission didn't give sufficient consideration to the short-haul roads' plea for lower car rental rates.

As a result, the court set aside ICC orders approving AAR-fixed per diem rates, and ordered the Commissioners to take a new look at the whole problem.

**Whether the ICC will now appeal to the Supreme Court was not known late last week. In any event, the district court's 22-page opinion promises to become one of the most carefully studied railroad documents of the year.**

The court capsuled the controversy in these words:

"The trunk line long-haul railroads, serving as they do the relatively sparsely settled and predominantly producing areas of the country, originate more traffic than they terminate.

"The short-haul railroads serving the coastal ports and the relatively more heavily populated and predominantly manufacturing areas, on the contrary, terminate more traffic than they originate.

"Thus, since a railroad must provide cars enough to handle the freight originating on its lines, the freight car equipment of the country is for the most part owned by the trunk line railroads and that owned by the short-haul lines is almost a negligible proportion of the whole.

"This situation does not exist because of default by the short lines. Having more cars coming in from other lines to unload than they have cars to load and send back, they naturally, to avoid back hauling empty cars, prefer to load and return freight cars instead of loading their own cars for dispatch off their lines.

"Thus the trunk lines . . . for the most part furnish the freight car equipment used by the short lines and the short line traffic-terminating roads are perforce per diem debit roads, interested in a low per diem rate, whereas the long haul predominantly traffic-originating roads are per diem credit roads interested in a high per diem rate."

**The per diem rate is established by vote of all roads on the basis of one vote for every car owned. This, say the short-haul lines, has permitted the car-owning roads to increase the charges without interference.**

For 25 years the per diem rate was \$1.00. After World War II there was a succession of increases that hiked the rate to \$1.50 in 1947, \$1.75 in 1949, \$2.00 in 1952 and \$2.40 in 1953. A recent increase to \$2.75 was made effective following the ICC's orders which upheld the AAR-established rates.

In March 1951 Henry K. Norton, then trustee (later president) of the Susquehanna, served notice that as of April 1 he would decline to settle the Susquehanna's per diem accounts on the \$1.75 basis then in effect. Instead, he offered to settle on the basis of a graduated rate reflecting the relative age of cars in each car-owner's fleet. This offer was generally rejected by the car-owning roads and the Susquehanna became embroiled in litigation.

When the per diem rate went up to \$2.40 on August 1, 1953, the Boston & Maine, New Haven, Long Island, New Jersey & New York, Atlantic & East Carolina, St. Johnsbury & Lamoille County, and Barre & Chelsea withdrew from the AAR agreement and took independent action offering to settle on lesser amounts.

**This spreading revolt led 19 of the car-owning roads to seek an ICC order declaring that the per diem rates were lawful**

**and required uniform observance by all other carriers. The ICC issued such an order—and the Boston & Maine, with the support of other short-haul roads, brought a civil action against the Commission.**

The result of this was the recent district court opinion rapping the ICC's knuckles and ordering the proceeding reopened.

The court questioned—although it did not rule on—the fairness of the per diem method of calculating car rentals.

This method considers only the number of days one road's cars stay on another road's lines. Mileage is not a factor.

The short-haul roads want the rate to reflect both time and mileage, but the ICC rejected the time-mileage proposal on the ground that such a calculation would involve "a long and complicated statistical undertaking."

**It was here that the court said the Commission erred in "brushing aside a matter of such importance . . . with little more than a casual wave of the hand."**

The court was also critical of the present method of calculating important elements of the cost of car ownership—which is reflected in the per diem charge.

► Biggest single item is "freight car repairs" (ICC Account 314). Lumped in this account are costs (e.g., freight train inspection) not directly related to per diem car ownership.

An AAR subcommittee on per diem recommended that Account 314 be broken down in order to provide a more accurate base for determining ownership costs of per diem cars—but the full committee rejected the plan.

The ICC found the idea worthy of "further consideration" but, in order to speed a decision on the per diem matter, did not pursue it. Said the court:

"If the recommendation deserved consideration it should have been considered, for there was ample evidence introduced to show the value of a breakdown of the account . . . and also to show that such a breakdown was not impractical."

► The court questioned the current practice of considering a car's reproduction value—instead of its actual cost—as a factor in setting per diem rates. The federal jurists found the ICC's approval of this practice "open to very serious question."

► The court had doubts about a third element in the per diem calculation—the car utilization ratio that is used in translating the aggregate ownership costs into a daily basis of cost per active car. The court held that the Commission erred in considering the average age of cars in computing car utilization.

Carl E. Newton and William T. Griffin of New York argued the case for the Boston & Maine and others.



**Grand Central City**

Architect's drawing of 50-story Grand Central City shows the proposed \$100-million structure towering above the classic facade of New York's Grand Central Terminal. The skyscraper will be built on railroad-owned property. Annual rental of \$1,000,000 will help defray terminal's operating deficit.



### Last Journey for a \$1-Million Painting

The famous Georges Seurat painting, "La Grande Jatte," begins trip back to Art Institute of Chicago after being on loan to New York's Museum of Modern Art. The art treasure, valued at \$1 million, traveled under armed guard in a special Railway Express

Agency car. Under terms of donor's bequest, the painting could be lent only once; this was the first and last time it could be seen outside of Chicago. The painting narrowly escaped destruction during recent fire at Museum of Modern Art.

## MoPac Offers 'Thrift-T-Sleeper'

Missouri Pacific has added a new word to the dictionary of passenger car terminology—"Thrift-T-Sleeper."

Effective June 1, MoPac will offer a choice of three types of sleeping accommodation on its "Colorado Eagle" for the price of a coach ticket plus a small added charge.

Under the new plan, for example, the round-trip fare between St. Louis and Denver, with upper berth, will be \$50.25 plus tax. This is about \$30 cheaper than the lowest prevailing rail and Pullman first class charges for the same trip.

The upper berth—costing \$2.50 in each direction—is the cheapest accommodation. Others: lower berth, \$6; bedroom for two or more, \$12; drawing room for two or more, \$15. These prices are added to the regular round-trip coach fare of \$45.25.

By comparison, the cheapest air coach round-trip fare between the two cities is \$93.30 plus tax.

Two streamlined cars—until now standing idle—will be used as "Thrift-T-Sleeper" equipment. Both are eight-section,

three-double bedroom, one-drawing room cars.

MoPac has two immediate goals in mind:

- Restoring to revenue operation two cars which had been unused because of infrequent demand for open section accommodations.

- Setting up another experiment to help determine how passengers may be won back to the rails. The road concedes that the "Thrift-T-Sleepers" will be less pretentious than the other equipment in the Eagle,—but feels there's potential revenue in a thrift-type service.

Previously, the railroad offered low-cost food service for coach passengers and inaugurated new, lower fare schedules on its Valley Eagle between Houston and Brownsville, Tex. (RA, April 14, p. 7; April 28, p. 7).

At least one other major railroad is reported to be considering instituting a coach-sleeper service similar to the MoPac's in order to put idle equipment to work.

## GM&O Seeks to Abandon Its Gulf Coast Rebels

Gulf, Mobile & Ohio timetables list two schedules each way daily between St. Louis and Mobile, Ala. One is a Gulf Transport Company bus; the other is the GM&O's "Gulf Coast Rebel." The railroad is now ready to abandon the train, as a victim of declining patronage and deficit operation.

The Rebels have been in service since the early 1940s. But where they once averaged some 394 passengers per trip (in 1944) they could count only about 66 riders per trip in the first two months of 1958.

The out-of-pocket loss ran to about \$750,000 last year.

Rebel schedules, incidentally, are two hours faster than the bus southbound, four hours faster northbound.

GM&O will have to get authority from three state commissions—Illinois, Tennessee and Alabama—before it can drop the Rebels. Mississippi does not require such approval; Kentucky commission action isn't needed, since the Rebels are in the state for only about 30 miles and make no station stops.

## CR&I Offers \$25,000,000 For Chicago Junction Railway

The Chicago River & Indiana has asked the Interstate Commerce Commission for authority to purchase—for \$25,000,000—the lines and properties it now leases from the Chicago Junction Railway.

CR&I, a wholly-owned subsidiary of the New York Central, has been operating the Junction Railway since 1922 under a 99-year lease at an annual rental of \$2,000,000. The lease may be extended at the option of the CR&I in perpetuity.

A joint announcement by Junction Railway President William Wood Prince and NYC-CR&I President Alfred E. Perlman said the purchase price of \$25,000,000 is payable in CR&I first mortgage 4 per cent bonds to be amortized over a 25-year period.

The Junction Railway properties consist of some 20 miles of first and second main line tracks and 118 miles of yard and sidings serving the Chicago stock yards and the city's central manufacturing district.

## Pullman-Standard Adding To Capacity at Bessemer

Pullman-Standard is ready to go with the second phase of a multi-million dollar expansion-improvement program at its Bessemer, Ala., freight car plant.

The current project will add about 35,000 square feet of manufacturing area under roof. It will enable P-S to turn out 2,000 tons of freight car parts per month, while maintaining its capacity building schedule of new freight cars.

The first phase of the Bessemer work



ended in November 1956. It added about 100,000 square feet of building space, increased production capacity of the plant by approximately 2,000 cars a year.

P-S President C. W. Bryan, Jr., said the continuing expansion has resulted from an increasing demand for the company's standardized freight car products.

"Rapid growth of the industrial South and the needs of the railroads serving the area have dictated these improvements," Mr. Bryan noted. "We at Pullman-Standard remain enthusiastic over the future of the nation's railroads despite the depressed period through which they are now battling.

"We believe that they are about to enter a new era of progress and success wherein they will recapture much of the business volume lost in recent years. Our expansion program at Bessemer demonstrates our faith in that future."

### Burlington Passenger Trains Haul Piggyback Trailers

Truck trailers now travel piggyback via passenger train on two eastbound runs on the Burlington, Denver-Chicago and Omaha-Kansas City.

The Denver-Lincoln-Omaha-Chicago operation began with a single trailer. The high point thus far has been 17—but the Burlington is looking forward to the day when the train will pull into Chicago hauling as many as 40 trailers. The Omaha-Kansas City move, it's indicated, hasn't developed any great volume of piggyback traffic to date.

The schedules provide late evening departure from Denver, second evening departure from Lincoln and Omaha and second morning arrival in Chicago. The Omaha-Kansas City operation is an overnight service.

Both trains are largely local, largely head-end cars, although the Omaha-Kansas City train does handle coach and sleeping car passengers.

All roller-bearing flat-cars are used for the trailer movement.

Indications are that the passenger train piggyback may be extended to the Chicago-Twin Cities run, where the Burlington has an overnight local train operating in each direction.

### Track Section Gangs Cut Nearly in Half by D&H

The Delaware & Hudson has reduced the number of track section gangs in its maintenance of way force from 40 to 21.

The m/w reorganization, which became effective May 1, was made possible by recent strides in mechanization of track work, according to Chief Engineer C. E. R. Haight.

Mr. Haight said the reorganization will result in "some decrease" in supervisory personnel, but will not materially affect total employment.

## Santa Fe Considers Line Changes

Financial analysts touring the west last week saw a map showing how Santa Fe someday may bypass two of its most troublesome sections of track with line changes totaling 112 miles.

Up for future consideration—though not yet authorized—are new single-track, C.T.C.-equipped lines of 46 miles between Williams and Crookton in Arizona and 66 miles between Goffs and Ash Hill in California. Both would replace double-track lines. Total cost of the new work is estimated at \$30,250,000.

The Williams-Crookton revision would save an hour's running time for eastbound freight trains, 1-hr 45-min time for westbounds. It would reduce the maximum

grade from 1.8% to 1.0% and the maximum curvature from 10-deg 34-min to 1-deg 30-min. The new line would be three miles longer than the present eastward track, 2.1 miles longer than the present westward track. It would bypass the towns of Williams and Ash Fork according to Santa Fe.

The 66-mile Goffs-Ash Hill line change would shorten the existing route by 10.3 miles eastward and 12 miles westward. Its maximum grade would be 0.8% against today's 1.12% eastward and 1.53% westward. The present line's maximum curvature of 6-deg would be reduced to 2-deg. Reduction in freight running time would be about 1-hr 30-min both ways.

## ACL Launches Major PR Program

The Atlantic Coast Line is launching the biggest public relations program in its history in an effort to whip up support for rail aid now pending in Congress.

ACL President W. T. Rice described the program in a recent address before the New York Society of Security Analysts. He said its immediate aim is to enlist the support of all ACL employees—and the railroad's business neighbors—for the Senate bill S-3778 and its companion House bill, HR-12448.

"This thing is going to take a lot of doing," said Mr. Rice. "It's going to take personal contact, telegrams, letters. . . to save this legislative program we desperately need."

The ACL program, he added, works in

two directions. It is also supposed to tell the railroads what problems the public is facing. As an example of a public problem that his railroad was able to do something about, Mr. Rice mentioned the recent relocation of the St. Petersburg, Fla., passenger station.

In the old location, he said, the station snarled downtown traffic. The community suffered, and so did the railroad's standing with the public. The new location corrected the traffic problem with the happy result that, so far as St. Petersburg is concerned "the Atlantic Coast Line has proved that it wants to be friends."

This kind of effort, declared Mr. Rice, can be the key to a sympathetic public understanding of railroad problems.

## Rate Proposal at Second Hurdle

(Continued from page 10)

if the competitors were not carriers; force the Commission to act in competitive rate cases without benefit of all pertinent facts; prevent corrective regulation of rate relationships between the railroads and competitors which will result in impairment of the shippers' ability to reach markets on a fair competitive basis; exclude in competitive rate cases the admission of evidence on anything other than rail facts; incline the Commission to permit rates to gravitate to dangerously low levels; shift the burden from one type of traffic to another.

Mr. Pinkney denied that the ICC holds "a protective umbrella" over truck rates.

He asserted that ATA does not advocate such a policy.

AWO's witness was A. C. Ingersoll, Jr., its chairman, who is also president of Federal Barge Lines, Inc. IWCCA was represented by G. C. Taylor, president of Mississippi Valley Barge Line Company. The former complained that the subcommittee's proposal "seeks to give one mode of transportation . . . the right to assert superior financial resources as an inherent advantage." Mr. Taylor said it would kill off river competition.

Senator Smathers noted that the water carriers make rates with benefit of the act's Section 305(C) which stipulates that differences between their rates and rail rates "shall not be deemed to constitute unjust discrimination." The Senator called this a "complete umbrella" and asked Mr. Taylor if he favored its repeal. He got an emphatic "no" in reply, and Mr. Taylor went on to say he doesn't think "necessary differentials" are an "umbrella." He did concede, however, that the section gives water carriers more protection than is afforded carriers regulated by other parts of the act.

### Coming Soon:

A Railway Age report on Trans-Europ Express—a bold experiment that is bringing European travelers back to the rails.



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## People in the News

**ASSOCIATION OF AMERICAN RAILROADS.**—H. S. Dewhurst, special assistant, public relations department, Washington, D.C., appointed manager, Public Section of that department, succeeding Carlton J. Corliss, who retired April 30.

William R. Merriam, former vice-president of public relations and secretary-treasurer, Federation for Railway Progress, Washington, D.C., appointed special assistant, Public Relations department, AAR.

**COTTON BELT.**—G. W. Heuermann, freight traffic manager, appointed general traffic manager, St. Louis, to succeed W. G. Degelow, who retired April 30.

C. J. Dinkelkamp, assistant freight traffic manager, St. Louis, appointed freight traffic manager to handle sales and service matters, replacing H. C. Roberts, assigned administrative duties. R. A. Pendergrass, general freight and passenger agent, Tyler, Tex., advanced to assistant freight traffic manager-sales and service, St. Louis. Paul M. Bunting, director of public relations, Tyler, named director public relations and passenger traffic there.

**ELGIN, JOLIET & EASTERN.**—John W. Kelly, assistant comptroller, Chicago, elected comptroller there, to succeed Grant E. Chessman, who retired March 31. James H. Mayberry appointed assistant comptroller, Chicago.

**GREAT NORTHERN.**—Clyde A. Pearson, assistant to the president-personnel, St. Paul, Minn., elected vice-president-personnel.

**INTERSTATE COMMERCE COMMISSION.**—Samuel R. Howell, associate general counsel, retired April 30.

Warner L. Baylor, technical information officer and editor with the Navy Department, Washington, D.C., appointed an information specialist for the ICC.

**MILWAUKEE.**—E. E. White, general agent, Spokane, Wash., transferred to Pittsburgh, to succeed George Neu, appointed general freight agent, Milwaukee (Railway Age, April 21, p. 50). D. J. Sullivan named to replace Mr. White. G. F. Flynn appointed district freight and passenger agent, Spokane.

F. G. McGinn, general manager, Chicago, elected vice-president—operations, to succeed William J. Whalen, retired. C. E. Crippen, assistant to vice-president-operations, appointed to the new position of assistant to president, Chicago.

**MINNESOTA TRANSFER.**—Larry E. Martin, road foreman of engines, promoted to master mechanic, St. Paul, Minn., succeeding Robert D. Mark, who retired April 1.

**MISSOURI PACIFIC.**—D. M. Camp, assistant general freight agent, Houston, Tex., retired April 30. Donald E. Richardson appointed foreign freight agent, Chicago, succeeding Raymond J. Nowacki

promoted to foreign freight traffic manager, St. Louis (Railway Age, Apr. 28, p. 36).

L. V. Hobbs, superintendent, Omaha division, Falls City, Neb., transferred to the Eastern division, Kansas City, Mo., succeeding C. C. Courtway, retired. C. L. Christy named to replace Mr. Hobbs. G. C. Smith appointed superintendent, Missouri division and Missouri-Illinois Railroad, Poplar Bluff, Mo., replacing J. G. Sheppard, transferred to the Palestine division, Palestine, Tex. Mr. Sheppard succeeds R. D. Morris, named division trainmaster, DeQuincy division, DeQuincy, La., to replace M. F. Martin.

L. L. Wallis appointed division engineer, Eastern division, succeeding W. W. Salisbury, assigned other duties. C. E. Cherry, division engineer, Joplin and White River divisions, retired May 1. J. H. Gresson named division engineer, Central division, Wichita, Kan., to succeed P. P. Wagner, Jr., transferred to Memphis, Tenn., replacing L. P. Jones, retired. P. D. Tracy appointed division engineer, Kansas City Terminal division, Kansas City, and J. E. Martin named assistant division engineer, Louisiana division, Monroe, La.

**NORTHERN PACIFIC.**—Effective April 16, D. H. Shoemaker, who has been on temporary special assignment as special assistant-executive department (Railway Age, Sept. 3, 1956, p. 35), returned to his former position as assistant chief engineer, St. Paul. W. R. Bjorklund appointed district engineer, lines east of Livingston, Mont.; J. D. Worthing, principal assistant engineer; R. W. Humphreys, office engineer; R. E. Nichols, assistant district engineer, lines east of Livingston.

D. J. Wigstrom, assistant to comptroller, St. Paul, appointed assistant comptroller. P. A. Unke named assistant to comptroller; W. J. Johnson, Jr., assistant to comptroller; E. N. Peterson, assistant statistician.

F. J. Horner, assistant chief of labor relations, retired May 1. J. B. Klassen and C. B. Wolf, supervisors of wages, named assistants to the chief of labor relations. G. J. McGuire and N. A. Steiner appointed labor relations assistants.

**PANHANDLE & SANTA FE.**—J. F. Dooley appointed purchasing agent and storekeeper, Amarillo, Tex., succeeding Clifton Oliver, who retired March 31.

**READING.**—H. Merle Mulloy, general solicitor, Philadelphia, elected vice-president and general counsel there, succeeding William I. Woodcock, Jr., retired. Alfred W. Hesse, Jr., and Lockwood W. Fogg, Jr., assistant general counsel, appointed general attorneys. Allen Lesley, assistant general solicitor, named assistant general counsel. William Quinn, attorney, appointed assistant general attorney.

**SOUTHERN.**—Joel T. Gheesling, Jr., general agent, freight and passenger department, Pittsburgh, Pa., appointed assistant freight traffic manager, Macon, Ga., succeeding Charles C. Bostwick,

transferred to New Orleans, La., to replace Thomas J. Garner, retired. Robert S. Geer, district freight agent, Knoxville, Tenn., appointed assistant general western freight agent, Chicago, succeeding Willis T. Carpenter, Jr., who replaces Mr. Gheesling at Pittsburgh. Hubert Salyer, commercial agent, Jacksonville, Fla., succeeds Mr. Geer. Augustus G. Shook appointed general agent, freight and passenger departments, Miami, Fla. Gordon B. Bingham, William T. Shivell and William B. Macdonald, Jr., appointed district freight and passenger agents, Miami.

**UNION PACIFIC.**—Ralph A. Foral appointed general traffic agent; Robert S. Farley, district traffic agent; Arthur C. Rinschen, traffic agent, all at Omaha, Neb.

### OBITUARY

Albert M. Hartung, retired vice-president in charge of personnel, Railway Express Agency, died May 10 at his home in South Orange, N.J.

Walter Batchelor, 69, chief of car accounts, Wabash, died May 14 at Decatur, Ill.

### Supply Trade



Norman T. Olsen



C. W. Henricks

Norman T. Olsen, president of Peerless Equipment, Division of Poor & Company, has been elected vice-president of Poor & Company.

C. W. Henricks, general sales manager, Union Switch & Signal—Division of Westinghouse Air Brake Company, has been appointed vice-president-railway sales, Swissvale, Pa., succeeding J. K. Mickley, who retired May 1. H. J. Groenendaal, assistant district manager, has been appointed district manager, New York district office, and has been succeeded by L. J. Davis, sales engineer in that office. Howard A. Thompson, consulting engineer, research and engineering department, retired May 1.

James MacDonald, vice-president, General Steel Castings Corporation, has been elected executive vice-president, and Richard T. Risk, treasurer, elected vice-president and treasurer, both with headquarters remaining at Granite City, Ill. Winthrop B. Reed, manager—eastern sales, Eddystone, Pa. has been elected vice-president with direct charge of operations at the Eddystone and Avonmore, Pa., plants.

A. J. Soward, former purchasing agent of the New York, Ontario & Western and of George W. Hoover, Inc., has been named office manager of the Mid-Hudson Steel Corporation, Middletown, N.Y.

R. G. Hudson has been appointed vice-president and general manager of Standard Railway Equipment Manufacturing Company (Canada) Ltd.

### OBITUARY

H. G. Turney, 77, retired sales executive and director, Adams-Westlake Company, died May 11 at Chicago.

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# What Are We After Anyhow?

The Smathers subcommittee has set up 8 legislative goals, designed greatly to improve the situation of the railroads. But Senator Smathers himself is not fully satisfied with the program. The list would be longer if he and his associates could have their way.

Actually, everything the railroads need can be summed up in a single phrase. It is this: **The same ease in securing capital for railway improvements that is available for extensions to highways, inland waterways and air transport facilities.**

•

The public interest requires modern and efficient railroad service—in the same degree that it needs efficient service from every other industry. Satisfactory service by any industry requires a constant inflow of new capital. This inflow of capital has been grievously curtailed for the railroads by several adverse factors. Each of the recommendations of the Smathers subcommittee is calculated to remove or modify one or more of these factors.

Not many people are interested in the details. But they have a very lively interest in the result of their removal. For instance, most people know little and care less about the intricacies of railroad rate regulation. They are concerned, though, with faster, more dependable, and (in the long run) more economical railroad service. Simpler regulation would help promote such service. So would repeal of excise taxes, and giving the ICC authority to permit abandonment of unprofitable services. So would every one of the points in the Smathers subcommittee's program.

But it is healthy and expanding railroad service that is, or should be, held out as the real objective. That is something everybody can understand. Specific legislative proposals are simply means to that end. And the best measure of the health of any industry is the easy availability to it of large quantities of new investment money.

There are other industries that have suffered from anemia—as bad as, or worse than, that now besetting the railroads. These industries have recovered their health, and railroad health can be

recovered too. The building and operation of ocean shipping was once a "sick industry." This industry came close to being put entirely out of business back in the 'Twenties, by the competition of ships built and operated by the low-paid labor of foreign countries.

The government could not raise the wages of foreign labor to correct this handicap of the American merchant marine. So, instead, the government provided subsidies to American shipping to offset higher U.S. wages. And the government extended or guaranteed loans to supply needed capital. Now the merchant marine is doing all right. It is no longer "sick."

The giant home-building industry suffered for a generation from inadequacy of mortgage money—and from the relatively short terms of most mortgages. So the government stepped in with guarantees of long-term mortgages, and home building boomed.

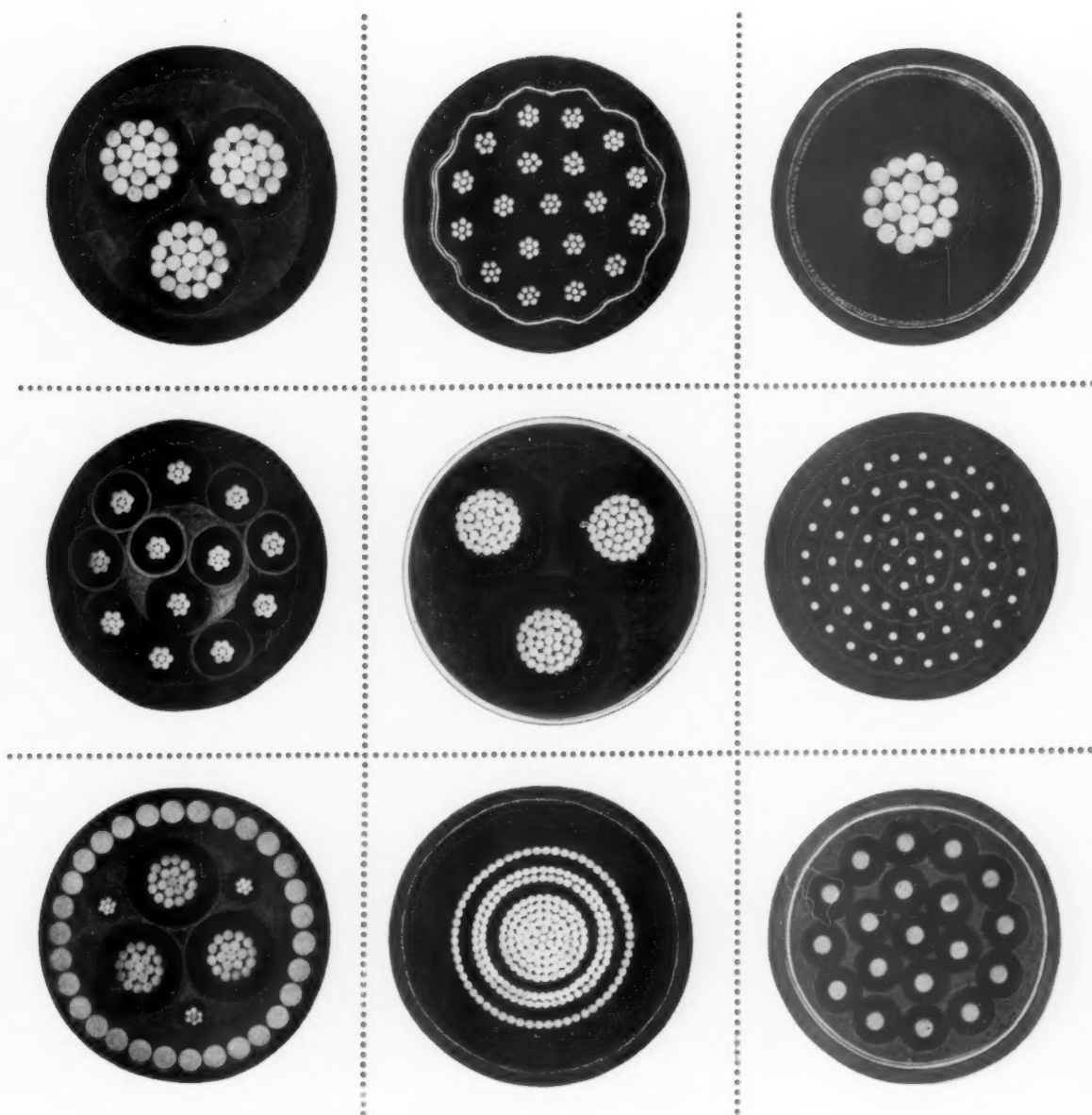
The point is that the health or anemia of any industry can be gaged by its ease or difficulty in obtaining plentiful quantities of new capital. Highway, waterway and air transport seldom suffer on this score because all their fixed plant is provided by government funds. But it is no novelty for industries to fall into serious trouble in securing capital. It is likewise no novelty for these same industries to overcome these difficulties, and to regain normal growth and prosperity. Agriculture, merchant marine and housing have done so. Even the electric utilities, at one time, were in the investors' dog house—but, in due course, they emerged.

•

**WILL CAPITALISM WIN?:** Some industries have been supplied a transfusion of investment funds by subsidies. The Smathers subcommittee's proposals for restoring healthy investment in the railroads are strictly non-socialistic. They do not embrace subsidies or wholesale use of government credit. Instead, they expect to make the railroads thrive by the inexpensive method of removing a few of their shackles.

When it comes to socialism, railroaders are total abstainers. But they must realize—and arouse the public to realize—that the Smathers program is anti-socialism's last stand in transportation.

Unless this program is speedily enacted, it is inevitable that health will have to be restored to the railroads by less agreeable and less orthodox means.



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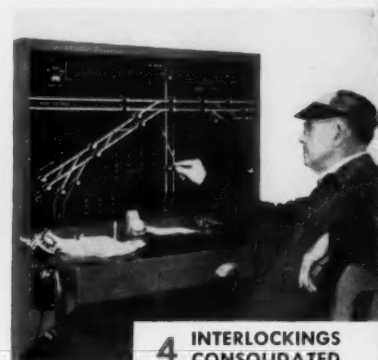
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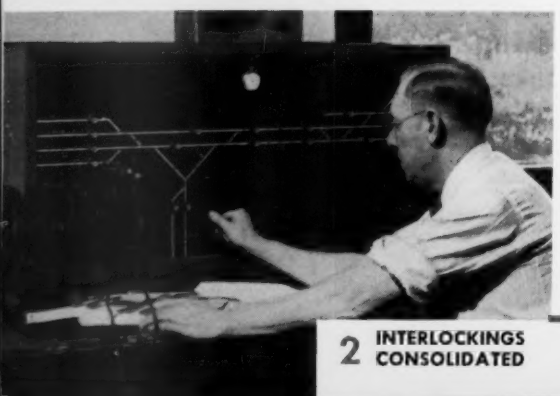
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